



United States Government Accountability Office
Washington, DC 20548

Decision

Matter of: GHG Corporation

File: B-407949

Date: April 12, 2013

John Denny, GHG Corporation, for the protester.
Victoria H. Kauffman, Esq., and Warnecke Miller, Esq., National Aeronautics and Space Administration, for the agency.
Scott H. Riback, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that agency miscalculated protester's proposal is denied where record shows that the agency's evaluation was reasonable and consistent with the terms of the solicitation.

DECISION

GHG Corporation, of Webster, Texas, protests the elimination of its proposal from consideration under request for proposals (RFP) No. NNJ12414076R, issued by the National Aeronautics and Space Administration (NASA) to acquire fabrication services at the Johnson Space Center. GHG argues that the agency unreasonably found its proposal technically unacceptable.

We deny the protest.

The RFP contemplated the award of an indefinite-delivery, indefinite-quantity cost reimbursement contract for a 1-year base period and a 2-year option period to provide a broad array of hardware fabrication services. These services range from the production of small parts to the development of new products, prototypes and first article space flight hardware. Offerors were advised that NASA planned to award a contract to the firm whose proposal offered the best value to the government, considering cost and several non-cost evaluation factors. RFP at M-3.

The RFP stated that NASA would first evaluate proposals to determine technical acceptability considering four subfactors: management approach, phase-in plan, technical approach, and safety and health plan. RFP at M-3 to M-4. Proposals

were to be adjectivally rated as acceptable, potentially acceptable, or unacceptable under each subfactor. Firms were advised that their proposals had to receive a rating of acceptable under all four subfactors in order to be considered technically acceptable overall. Id.

The RFP stated that the agency planned to conduct a tradeoff analysis among the technically acceptable proposals, considering past performance and evaluated cost, with past performance deemed significantly more important than evaluated cost. RFP at M-8. On the basis of that tradeoff process, the agency would determine which proposal represented the best value to the government.

NASA received several proposals in response to the solicitation. The agency evaluated GHG's proposal for technical acceptability and assigned it unacceptable ratings under both the technical approach and management approach subfactors. Consistent with the solicitation's terms, GHG's proposal was considered technically unacceptable overall and eliminated from further consideration. GHG challenges the agency's evaluation of its proposal as technically unacceptable. The firm argues that each of the agency's findings under these two subfactors was erroneous or unreasonable.

In considering protests that challenge the propriety of an agency's evaluation of technical proposals, our Office does not independently evaluate proposals. Rather, we review the agency's evaluation to ensure that it is consistent with the terms of the solicitation and applicable statutes and regulations. SOS Int'l, Ltd., B-402558.3, B-402558.9, June 3, 2010, 2010 CPD ¶ 131 at 2. A protester's mere disagreement with the agency's evaluation conclusions does not provide a basis for our Office to object to the evaluation. OPTIMUS Corp., B-400777, Jan. 26, 2009, 2009 CPD ¶ 33 at 6. We find that the agency's determination that GHG's proposal was technically unacceptable was reasonable.

The record shows that the agency's assignment of an unacceptable rating to GHG's proposal under the technical approach subfactor was based on three identified deficiencies. In this connection, the RFP required offerors to respond to four scenarios that were designed to test the offerors' understanding of the requirements. The record shows that NASA identified two deficiencies in GHG's responses to scenarios 1 and 2 (failure to include a planning flowchart showing the standard labor categories that GHG intended to use to perform the requirements, and failure to use a quality engineer for those scenarios); and one deficiency in connection with its response to scenario 3 (the evaluators concluded that GHG's response to this scenario would have completely destroyed the part to be fabricated causing a catastrophic impact to project cost and schedule). Agency Report (AR), exh. 14, Technical Acceptability Evaluation Worksheet, at 5-6.

We have carefully reviewed all of the evaluators' findings under the technical approach subfactor and conclude that they were reasonable and consistent with the

requirements of the RFP.¹ We discuss one of the technical approach deficiencies found in GHG's proposal for illustrative purposes.

Scenario 3 included what the RFP described as an "immature" design sketch for the fabrication of a part. In responding to scenario 3, offerors were required to perform a manufacturing engineering review and provide recommendations for completing the drawing with improved manufacturability and support of a final drawing release. Firms were specifically instructed as follows:

The offeror shall include in their response the results of the ME [manufacturing engineering] review categorized with the following as a minimum:

- A. Identifying errors and missing items on sketch
- B. Recommendations for drafting and design changes which would improve manufacturability and estimated savings in cost and schedule
- C. Provide any rationale or assumptions used in developing this response

RFP, attach. L-4, at S3-1.

The RFP informed offerors how their technical approaches were to be evaluated to determine acceptability:

The proposed Technical Approach will be evaluated for reasonableness, feasibility and completeness. An acceptable Technical Approach will be at a level of completeness, feasibility and reasonableness where associated risks do not jeopardize an acceptable level of contract performance.

RFP at M-4.

The agency advises that the immature sketch provided in the solicitation included a total of 42 errors, three of which were key; failure to correct the key errors would

¹ In light of our conclusion with respect to the technical approach subfactor, we need not reach GHG's allegations concerning the evaluation of its proposal under the management approach subfactor. As noted above, the RFP stated that proposals had to be rated acceptable under all four subfactors in order to be considered technically acceptable overall. RFP at M-3.

result in having to scrap the part.² Contracting Officer's Statement at 6-7. The record shows that GHG failed to identify 20 of the 42 errors in the sketch and, more importantly, failed to identify two of the three key errors.

As to the two key errors, the agency explains that GHG's proposal failed to identify the fact that the sketch included a "through hole" dimension that was larger than the "tapped hole" dimension.³ *Id.* at 6. GHG also failed to identify the fact that the drawing called for brazing a base part and plug using a brazing filler alloy that had a higher melting point than the base or plug materials; use of the brazing alloy would result in melting the part or plug before completion of the brazing. The evaluators found that GHG's response to scenario 3 would have completely destroyed the part, causing a catastrophic impact to project cost and schedule. They concluded that GHG's proposed approach would constitute a level of risk that would jeopardize an acceptable level of contract performance. Consistent with the solicitation's terms, this conclusion resulted in a finding that the proposal was technically unacceptable. AR, exh. 14, Technical Acceptability Evaluation Worksheet, at 6.

GHG concedes that it did not identify these two key errors, and also concedes that it identified only 22 of the errors in the sketch. In its letter of protest, GHG states:

GHG Proposal: Volume I (Attachment 5) pages 81 through 83 (Figure C3-1) identified 22 errors with the sketch. Items 3 and 4 discuss errors with the 1/4-20 [tapped] hole (TA-5) but does not specifically state the 0.250 through hole is too big to have a 1/4-20 tapped hole. The error in the brazing process is not listed.

GHG Letter of Protest at 23.

² GHG suggests that NASA's finding that its proposal was technically unacceptable based on its failure to identify all three "key" errors amounted to the application of an unstated evaluation consideration. We disagree. As noted above, the RFP required--without limitation--that the offerors identify the errors and missing items in the sketch. RFP, attach. L-4, at S3-1. The fact that several errors were more significant than others (because failure to correct those errors would result in catastrophic failure of the part) does not mean that NASA applied an unstated evaluation consideration, and did not relieve GHG from the responsibility of identifying and correcting these errors in its proposal. In any event, as noted above, GHG also failed to identify an additional 18 non-key errors.

³ A "through hole" is a hole made nominally smaller than the "tapped hole" to allow for the hole to be "tapped," or cut with threads, to allow insertion of a screw. If the through hole dimension is larger than the tapped hole dimension, it cannot be threaded, and this would result in the part having to be scrapped. See AR, Legal Memorandum, at 6.

Notwithstanding its concession, GHG argues that these two key errors, in practice, would not have resulted in the part being scrapped. According to GHG, the discrepancy between the through hole and tapped hole dimensions would have been caught before the part actually made it to the point of fabrication. GHG also maintains that the discrepancy between the part and plug melting point and the brazing alloy melting point would have been identified during a drawing review that would have been conducted by another entity, and that it would not have been responsible for identifying this error during fabrication.

Notwithstanding the practicalities of actual fabrication alleged by GHG, the purpose of the RFP's scenarios was to test the offerors' understanding of the solicitation's requirements. As demonstrated above, GHG failed to respond to scenario 3 in a manner that demonstrated its understanding of the requirements at "a level of completeness, feasibility and reasonableness where associated risks do not jeopardize an acceptable level of contract performance." RFP at M-4. As a result, NASA reasonably found GHG's proposal technically unacceptable based on the protester's response to scenario 3.

The protest is denied.

Susan A. Poling
General Counsel