

U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W. Washington, DC 20548

Decision

# Comptroller General of the United States

#### DOCUMENT FOR PUBLIC RELEASE

The decision issued on the date below was subject to a GAO Protective Order. The entire decision has been approved for public release.

Matter of: Armstrong Elevator Company

File: B-422123

**Date:** December 28, 2023

Edward J. Tolchin, Esq., Offit Kurman, P.A., for the protester.

Matthew T. Schoonover, Esq., Matthew P. Moriarty, Esq., John M. Mattox II, Esq., Ian P. Patterson, Esq., and Timothy J. Laughlin, Esq., Schoonover & Moriarty LLC, for Elevated Technologies, Inc., the intervenor.

Brian R. Reed, Esq., Department of Veterans Affairs, for the agency. Michelle Litteken, Esq., and Christina Sklarew, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

#### DIGEST

Protest that the agency unreasonably evaluated the protester's past performance is denied where the record shows the agency's evaluation was reasonable and consistent with the terms of the solicitation.

#### DECISION

Armstrong Elevator Company, a service-disabled veteran-owned small business (SDVOSB) of Largo, Florida, protests the award of a contract to Elevated Technologies, Inc., an SDVOSB of Charleston, South Carolina, under request for proposals (RFP) No. 36C25623R0094, issued by the Department of Veterans Affairs (VA), to replace the cart transport elevators in a hospital building in Houston, Texas. Armstrong challenges the agency's evaluation of its proposal under the past performance factor.

We deny the protest.

#### BACKGROUND

The agency issued the RFP on June 23, 2023, as a set-aside procurement for SDVOSB concerns, seeking a contractor to replace the cart transport elevators, including the controls and machines, in the main hospital building at the Michael E. DeBakey Veterans Affairs Medical Center in Houston, Texas. Agency Report (AR), Exh. 2, RFP at 1. The elevators are used to deliver food to patients and sterile surgery equipment directly to operating rooms. AR, Exh. 1, Contracting Officer's Statement (COS) at 1.

The scope of work for the requirement included specialized construction labor and supervision for mechanical, structural, electrical, demolition, and elevator installation work. *Id.* 

The solicitation established that award would be made using a best-value tradeoff with two factors--past performance and price--with past performance being considered significantly more important than price. RFP at 9. With respect to past performance, offerors were required to provide a detailed summary of three recent and substantially complete contracts for elevator replacement work in an occupied hospital environment.<sup>1</sup> Id. at 10. The RFP identified nine categories of information that the detailed summary should discuss, including, as relevant here: the project performance period (with initial and actual performance dates, schedule impacts, and efficiencies); the names of any subcontractors used, their responsibilities, and the percentage of work performed; and a narrative that demonstrated experience with elevator installations in an environment similar to the Houston VA Medical Center and which included details concerning complexity, magnitude, challenges, and degree of success. *Id.* at 10-11. The solicitation stated: "Offerors are responsible for including sufficient details, in a concise manner, to permit a complete and accurate evaluation of each proposal." Id. at 8. The RFP established that the past performance evaluation would assess the relative risks associated with an offeror's likelihood of success, as indicated by the offeror's past performance record.<sup>2</sup> *Id.* at 10-11.

The VA received timely proposals from three offerors, including Armstrong and Elevated. COS at 2. The past performance evaluation results for Armstrong and Elevated, and their submitted prices, were as follows:

	Armstrong	Elevated
Relevancy	Relevant	Very Relevant
Confidence	Satisfactory Confidence	Substantial Confidence
Overall Risk	Low Risk	Low Risk
Price	\$1,922,000	\$1,948,710

AR, Exh. 4, Past Performance Evaluation Board (PPEB) Report at 6; AR, Exh. 5, Source Selection Decision (SSD) at 5.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> The RFP defined "recent" as within 5 years of the date that the RFP was issued and defined "substantially complete" as more than 90 percent complete. RFP at 10.

<sup>&</sup>lt;sup>2</sup> The solicitation provided: "Areas to be evaluated may include but are not limited to quality of construction service, timeliness of performance or adherence to performance schedules, controlling project cost, and/or effectiveness in program management (to include use and control of subcontractors)." RFP at 11.

<sup>&</sup>lt;sup>3</sup> As pertinent here, very relevant was defined as "Past performance effort involved essentially the same scope and magnitude of effort and complexities this solicitation

In evaluating Armstrong's past performance, the PPEB reviewed the summaries that the protester provided for five past performance projects,<sup>4</sup> to arrive at overall ratings for relevancy, confidence, and risk. AR, Exh. 4, PPEB Report at 7-9. Regarding relevancy, the PPEB rated one of Armstrong's past performance projects as very relevant, finding that the project involved a very similar scope and magnitude to the requirement here and was performed in a hospital. The remaining four projects were rated as only relevant because the proposal did not demonstrate that those four projects were performed in operating hospitals.<sup>5</sup> For example, the PPEB rated Armstrong's third project, "Repair Elevators in Administration Building 2," as relevant because the work was performed in an administration building, as opposed to a working hospital. AR, Exh. 4, PPEB Report at 8; *see also* COS at 3. Another project was performed in a parking garage. AR, Exh. 4, PPEB Report at 8; *see also* COS at 3; *see also* COS at 4.

Regarding confidence, the PPEB assessed a weakness for each of Armstrong's past performance projects because Armstrong did not provide all of the information required by the RFP. Specifically, for each project, the PPEB found that the protester's proposal failed to address the use of subcontractors, challenges encountered during performance and steps taken to overcome them, and the initial and actual dates of performance. AR, Exh. 4, PPEB Report at 7-9; COS at 3-4. The PPEB also reviewed the contractor performance assessment reports (CPARS) for Armstrong's past performance projects, as permitted by the RFP, and found that Armstrong had received an overall rating of only satisfactory for each contract. AR, Exh. 4, PPEB Report at 9. Based on these considerations, the PPEB rated the agency's confidence in Armstrong's ability to perform as satisfactory. Regarding risk, the PPEB concluded from Armstrong's overall performance record that the agency had a reasonable expectation that Armstrong would successfully perform the work, and it rated Armstrong's proposal as low risk. *Id.* at 10.

In contrast, the PPEB rated the three projects that Elevated submitted as very relevant because each of the projects was performed in an operating hospital. AR, Exh. 4, PPEB Report at 12; COS at 5. With respect to confidence, the PPEB found that Elevated provided the information required by the solicitation--including the actual dates of performance--which demonstrated that Elevated completed the projects on time. COS at 5. Additionally, the PPEB found that Elevated received ratings of very good and exceptional in the CPARS reports for its projects. *Id.*; *see also* AR, Exh. 4, PPEB Report at 13. The PPEB rated Elevated's proposal as presenting low risk.

requires," and relevant was defined as "Past performance effort involved similar scope and magnitude of effort and complexities this solicitation requires." AR, Exh. 4, PPEB Report at 5.

<sup>&</sup>lt;sup>4</sup> As noted above, the solicitation required offerors to submit three projects. RFP at 10. In their submissions, the parties did not address whether it was improper for the VA to evaluate all five projects that the protester submitted.

<sup>&</sup>lt;sup>5</sup> The PPEB also found that three of Armstrong's projects were smaller in magnitude than the work required by the RFP. AR, Exh. 4, PPEB Report at 8.

Thereafter, the contracting officer, acting as the source selection authority, reviewed the PPEB's assessments and ratings. AR, Exh. 5, SSD at 1. The contracting officer noted that Elevated was the only offeror who received the combination of a low overall risk rating, substantial confidence, and very relevant ratings for the past performance factor. *Id.* at 3. In comparison, the contracting officer observed that only one of Armstrong's projects was performed in an active hospital environment, and because Armstrong did not provide the initial and actual dates of completion in its proposal, it was unknown whether the projects were completed on time. *Id.* at 4. The contracting officer concluded that Elevated's past performance was superior to that of the other offerors, and although it did not offer the lowest price, its proposal provided the best value. *Id.* at 5. The contracting officer wrote:

It is not a good tradeoff to accept a lower priced proposal for a lower scoring past performance proposal, ultimately putting the government at risk for a possible substandard performance and unsuccessful project. It is reasonable for the Government to pay an additional \$26,710 on anticipated 2-million-dollar project for the far superior past performance proposal to ensure the project's outcome has the best chance of being successful for our Veteran patients.

### *Id.* at 6.6

Following receipt of notice of the award and a debriefing, Armstrong filed this protest.

## DISCUSSION

Armstrong challenges the VA's evaluation of its proposal under the past performance factor. Specifically, the protester alleges that the evaluation was "unreasonable in the extreme" because it was factually inaccurate. Protest at 2. The protester asserts that, contrary to the agency's evaluation conclusions, Armstrong's past performance proposal demonstrated that the projects were performed in hospital environments; no subcontractors were listed because none were used; and only one set of dates was provided because Armstrong completed the projects on time. *Id.* As discussed below, we find no basis to sustain any of the protester's allegations.

In reviewing an agency's evaluation of past performance, our Office evaluates whether the evaluation was reasonable and consistent with the stated evaluation criteria and

<sup>&</sup>lt;sup>6</sup> The contracting officer also noted that the existing cart elevators were failing and needed to be replaced as soon as possible. AR, Exh. 5, SSD at 6. She then wrote: "Therefore, the successful completion of past projects performed in an occupied hospital environment, on time, and within budget are very important. Those offerors with past performance proposals that did not provide past projects examples in a similar hospital environment and provide information to showcase the project was completed on time and within budget presented unacceptable risk to the government for the tasks required for this acquisition." *Id.* 

applicable statutes and regulations. *Linchpin Sols., Inc.*, B-419564, May 10, 2021, 2021 CPD ¶ 200 at 4. An agency's evaluation of past performance is, by its nature, subjective, and that evaluation, including the agency's assessments with regard to relevance, scope, and significance, are matters of discretion which we will not disturb absent a clear demonstration that the assessments are unreasonable or inconsistent with the solicitation criteria. *22nd Century Techs., Inc.*, B-418029 *et al.*, Dec. 26, 2019, 2020 CPD ¶ 14 at 11. A protester's disagreement with the agency's judgment, without more, does not establish that an evaluation was unreasonable. *FN Mfg., LLC*, B-402059.4, B-402059.5, Mar. 22, 2010, 2010 CPD ¶ 104 at 7.

The protester complains that it was unreasonable for the VA to rate four of Armstrong's projects as relevant--instead of very relevant--after finding Armstrong's proposals had not demonstrated the projects were performed in an active hospital environment. The protester asserts that its proposal demonstrated the work was done in active hospitals because the narratives included a statement such as "This project also took place in a fully occupied Federal Government Healthcare Facility" or referred to "the sensitive nature of [the work] being performed in a hospital environment." Protest at 2 (*citing* Protest, exh. 1, Past Performance Proposal). The VA responds that Armstrong's proposal did not clearly identify the facilities as hospitals. COS at 3. Based on our review of the record, we have no reason to question the reasonableness of the agency's evaluation of Armstrong's proposal under the past performance factor.

As noted above, the solicitation required offerors to provide a narrative that demonstrated experience with elevator installations in an environment similar to the Houston VA Medical Center. RFP at 10-11. Armstrong's proposal did not clearly show that the projects involved work similar to the solicitation's requirements, *i.e.*, Armstrong's proposal did not demonstrate that the projects involved performing work in active hospital environments. For example, Armstrong's second project, titled "Replace Building 32 Elevator for Safety," was described as having been performed in "an occupied Federal Government facility". Although the narrative stated the building was located in a VA medical center, the proposal did not state whether Building 32 was a hospital facility or a support building. COS at 3; *see also* Protest, exh. 1, Past Performance Proposal at 5-6. The only reference to working in a hospital environment was a single statement that Armstrong worked outside of normal hours because it was working in a hospital environment. Protest, exh. 1, Past Performance Proposal at 6.

As an additional example, the protester's third project was titled "Repair Elevators in Administrative Building 2," and the narrative stated that the contract involved modernizing three passenger elevators in an administrative building at a VA healthcare center. Protest, exh. 1, Past Performance Proposal at 7. Here, too, Armstrong's proposal referred to work being "performed in a hospital environment." We find nothing unreasonable in the VA's conclusion that modernizing passenger elevators in an administrative building did not involve essentially the same scope, magnitude of effort, and complexities as replacing cart elevators that transport food to patients and surgical equipment to operating rooms. Accordingly, Armstrong's arguments in this regard provide no basis to sustain the protest.

Armstrong also challenges the rating of satisfactory confidence the agency assigned to the firm's proposal, arguing that it was unreasonable for the VA to assess a weakness to its proposal for failing to discuss the use of subcontractors in the project narratives when Armstrong did not utilize subcontractors for the projects. Protest at 2; Comments at 2. The agency responds that there was no way for the PPEB to know that Armstrong did not utilize subcontractors without Armstrong providing that information in its proposal. Memorandum of Law (MOL) at 7. The agency states: "The Protester did not provide any information to the government about its use (or non-use) of subcontractors, and it would have been unreasonable for the government to assume one way or the other what this meant." *Id.* at 8.

The protester's argument is without merit. It is an offeror's responsibility to submit an adequately written proposal, including adequate information relating to the offeror's past performance. GVI Inc., B-419397, B-419397.2, Feb. 3, 2021, 2021 CPD ¶ 73 at 12; Mission Services, Inc., B-415716.22, Apr. 1, 2019, 2019 CPD ¶ 302 at 6. The solicitation also stated that offerors were responsible for including sufficient details to permit a complete and accurate evaluation, and specifically required offerors to include subcontractor information in the detailed summary of their projects. RFP at 8. Armstrong's position is effectively that the VA should have assumed that no subcontractors were used if no information concerning subcontractors was provided, and that it should have assumed that the projects were completed on time if only one set of dates was submitted for each project. The protester's arguments are neither consistent with the solicitation's specific requirement for offerors to provide the names of subcontractors, their responsibilities, and the percentage of work performed, nor our established line of decisions affirming an offeror's responsibility to prepare an adequately written proposal. On this record, we find no basis to conclude that the agency's evaluation either was unreasonable or inconsistent with the stated evaluation criteria.7

The protest is denied.

Edda Emmanuelli Perez General Counsel

<sup>&</sup>lt;sup>7</sup> The same reasoning applies to the protester's arguments concerning the weaknesses assessed for Armstrong's failure to provide the initial and actual performance periods for each past performance project. The protester asserts there was no need to provide two sets of dates because Armstrong performed on time. Comments at 2. Again, Armstrong's arguments are inconsistent with the solicitation requirements and do not show that the evaluation was unreasonable; accordingly, we deny this allegation.