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Decision

Matter of: Alpha Omega Integration, LLC

File: B-419812; B-419812.2

Date: August 10, 2021

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DIGEST

Protest challenging the agency best-value source selection decision is sustained where both the protester and awardee received identical adjectival ratings and the record does not identify or explain any of the superior capabilities or features of the awardee's quotation that might justify paying the price premium associated with that quotation.

DECISION

Alpha Omega Integration, LLC, an 8(a) small business of Vienna, Virginia protests the issuance of a task order to Synergy Business Innovation & Solutions, Inc., an 8(a) small business of Reston, Virginia, under request for quotations (RFQ) No. 12314421Q0006, issued by the United States Department of Agriculture (USDA) for Enterprise Application Systems (EAS) Information Technology Support Services.¹ Alpha Omega contends that the agency miscalculated quotations and challenges the agency's best-value tradeoff analysis.

¹ Section 8(a) of the Small Business Act, 15 U.S.C. § 637(a), authorizes the Small Business Administration to enter into contracts with government agencies and to arrange for performance through subcontracts with socially and economically disadvantaged small business concerns. Federal Acquisition Regulation (FAR) 19.800. This program is commonly referred to as the 8(a) program.

We sustain the protest.

BACKGROUND

This acquisition is a recompetition of the current USDA EAS contract. Contracting Officer's Statement (COS) at 1. EAS is an entity within the USDA's Office of Chief Information Officer (CIO), and is a division of the Digital Infrastructure Service Center. EAS, and its predecessors, have been providing application development, support and information technology (IT) services on a cost-reimbursable basis to USDA, and other federal agencies, for more than 30 years. *Id.*

Nearly all EAS applications development support projects use the Agile construct, which, as the agency describes, is where the contract team executes the work through a number of iterations, with customer feedback, until deliverables are complete. *Id.* The agency states that it simultaneously manages over 100 projects within the USDA and the federal government, with each project having unique and specific project goals. *Id.*

On February 3, 2021, the agency issued the solicitation for USDA EAS under the provisions of FAR subpart 16.5 to firms holding contracts under the CIO-Solutions and Partners 3 (CIO-SP3) governmentwide acquisition vehicle (GWAC), as an 8(a) set-aside. Agency Report (AR), Tab 11, RFQ amend. 4 at 9.² The solicitation anticipated the issuance of a fixed-price, labor-hour task order under the CIO-SP3 SB GWAC for one base year and four 1-year option periods.³ RFQ at 11, 13.

The USDA EAS requirement is to provide contract personnel to support the EAS staff in providing professional services for developing, maintaining, and supporting enterprise-class business applications, cloud services, geospatial management, and distance learning services. COS at 1. The solicitation categorizes the USDA EAS requirement into twelve functional areas based on the type of support to be provided, such as development, and applications operations and maintenance support. AR, Tab 2, Performance Work Statement (PWS) at 40-115.

Award was to be made on a best-value tradeoff basis, considering past performance, technical, and oral presentations (listed in descending level of importance), and price. RFQ at 12. The RFQ provided that non-price factors when combined were more

² The agency issued four amendments to the solicitation. The citations to the RFQ in this decision are to the version of the solicitation provided by the agency in amendment no. 4. AR, Tab 11, RFQ amend. 4.

³ Historically, USDA EAS contracts have been labor-hour contracts. *Id.* at 2. The present solicitation, however, includes an increased number of fixed-price contract line item numbers (CLINs), and the agency anticipated issuing a number of hybrid labor-hour and fixed-price task orders under this solicitation. *Id.*

important than price. *Id.* The solicitation stated that the evaluation would involve two phases. *Id.* at 11.

Under phase 1, the agency would evaluate past performance references for vendors, along with past performance references for the major subcontractors, teaming partners and/or joint ventures. *Id.* Past performance would be evaluated with regard to magnitude, complexity, and similarity compared to the EAS requirement, and assigned an overall performance confidence rating.⁴ *Id.* at 25-27.

In phase 2, the agency would perform an advisory down-select,⁵ and evaluate the remaining quotations under the technical approach, oral presentations, and price factors. *Id.* at 28. The technical approach evaluation was limited to the evaluation of six, equally weighted subfactors.⁶ COS at 11. Each of the six subfactors provided references to specific paragraphs in the PWS that were the focus of the subfactors. The technical evaluation team evaluated each subfactor individually, and then assigned one overall confidence rating. Oral presentations would be conducted with scenario based “on-the-spot” questions, and vendors would be assigned an overall confidence rating.⁷ RFQ at 29.

The agency’s price evaluation used various procedures, depending on the functional areas to be evaluated. Pricing for three of the functional areas would be evaluated using a market basket approach consisting of preselected current EAS projects. RFQ at 12. Also, labor category (LCAT) pricing and teams-based pricing would each be applied to each of these preselected projects for the evaluation. Pricing for the remaining nine functional areas would be evaluated based on the overall pricing provided for each team based on team description and applied to each option year and

⁴ Vendors were assigned an overall performance confidence rating of substantial confidence, satisfactory confidence, limited confidence, no confidence, or unknown confidence. AR, Tab 27, Debriefing at 4.

⁵ The agency explains that to minimize quotation development costs for vendors with little or no chance of receiving an award, it planned to only invite three vendors to participate in phase 2, and inform the remaining vendors that they were unlikely to be a viable competitor for award. *Id.* at 28. However, the agency stated that all vendors who submitted quotations were permitted participate in phase 2. *Id.*

⁶ The technical subfactors were capacity model response, customer diversity/project diversity/project size diversity, technical expertise/experience, project management approaches, portfolio management-PMO [project management office]/PED [project enhancement delivery] approaches, and business management-support approaches. RFQ at 21-23.

⁷ Under the technical approach and oral presentation factors, vendors were assigned an overall confidence rating of high confidence (low risk), some confidence (moderate risk), and low confidence (high risk). AR, Tab 27, Debriefing at 4.

overall line item value. *Id.* The totals derived for the pricing of each of the 12 functional areas would be used to determine the total evaluated price. AR, Tab 25, Decision Memorandum at 17.

Based upon the evaluation during these two phases, the agency would then determine the best-value vendor. The solicitation stated that the agency reserved the right to award a task order to other than the lowest priced vendor, and that the contracting officer “shall make an assessment of the proposed price and the Performance Confidence rating and the Confidence ratings and trade one off for the other to determine the best value for the government.”⁸ AR, Tab 11, RFQ amend. 4 at 13.

The agency received eight quotations in response to the solicitation, including quotations from Alpha Omega and Synergy. COS at 4. The agency evaluated the past performance of the vendors, and sent positive notifications to three vendors inviting them to proceed to phase 2. *Id.* at 10. All three of the vendors, which included Alpha Omega and Synergy, participated in the phase 2 evaluation.⁹ *Id.* The agency evaluated the quotations of Alpha Omega and Synergy, the two lowest-priced vendors, as follows:

	Alpha Omega	Synergy
Past Performance	Substantial Confidence	Substantial Confidence
Technical Approach	High Confidence	High Confidence
Oral Presentation	Some Confidence	Some Confidence
LCAT Pricing (CLINs 1, 2,12)	\$72,802,130	\$71,246,022
Team-Based Pricing (1, 2, 12)	\$56,799,778	\$59,175,418
Team-Based Pricing (3-11)	\$47,461,255	\$48,014,505

AR, Tab 25, Decision Memorandum at 16-17. The agency stated that when the totals derived through the use of the contract progression from labor-hour to fixed price were added to the pricing provided for fixed-price functional areas 3-11, Alpha Omega’s evaluated price was \$586,211.58 lower than Synergy’s evaluated price. *Id.* at 17.

Of note, the agency did not assign strengths, weaknesses, or deficiencies to the quotations. AR, Tab 11, Debriefing Q&As at Nos. 1-2. Rather, the agency’s evaluation

⁸ Once the agency selected the apparent successful vendor, the agency reserved the right to communicate with only that vendor to address any remaining issues, a process that it referred to as “finalization,” that could include communications about technical and price issues. *Id.*

⁹ One additional vendor who received a negative advisory letter opted in to the phase 2 evaluation. COS at 10. This additional vendor, however, later voluntarily opted out of the competition. *Id.*

documents described numerous capabilities and features of the vendors' quotations. AR, Tab 24, Evaluation Team Recommendation Memorandum.

The contracting officer, who also was the source selection authority, documented the basis of the source selection decision. AR, Tab 25, Decision Memorandum. As relevant here, the contracting officer reviewed the findings of the technical evaluation team, and expressly disagreed with several aspects of the evaluation. The contracting officer concluded that even though the adjectival ratings assigned to both Alpha Omega and Synergy were identical, Synergy's quotation was overall stronger under the more heavily weighted past performance and technical approach factors, and that Alpha Omega's quotation was stronger under the oral presentation factor. COS at 7, 11, 12.

Under a section of the award memorandum entitled "Trade-off," the contracting officer explained the decision to make award to Synergy, in pertinent part, as follows:

Synergy provided the strongest overall response to past performance and technical approach which are the two most heavily weighted non-price factors. [Alpha Omega] provided the strongest overall response to the oral presentation portion which is the least weighted non-price factor. [Alpha Omega] outcome to the final pricing evaluation showed a slight advantage of \$586,211.58. However, the stronger oral presentation by [Alpha Omega] did not overcome Synergy's overall stronger responses in both past performance and technical approach which are the two most important factors per the terms of the RFQ and warrants a trade-off to Synergy to achieve the best value.

[. . .]

The evaluation team discussed the overall value to the USDA for the trade-off and clearly demonstrated the value of the trade-off with the following statement. "The evaluation team recommends award to Synergy priced \$586,211.58 higher than the next lowest price submitted by Alpha Omega Integration, LLC. The additional cost provides incredible value to the Government based on Synergy's demonstration of technical expertise and comprehensive approach to addressing both current and future challenges for EAS. Synergy has demonstrated unique innovative processes as well as their ability to take ownership of these processes through their past performance package as well as through their technical approach."

AR, Tab 25, Decision Memorandum at 17 *quoting* AR, Tab 24, Evaluation Team Recommendation Memorandum at 62.¹⁰

On April 23, the agency awarded a task order to Synergy for the EAS support requirement. COS at 18; AR, Tab 25, Decision Memorandum. The agency then engaged in the finalization process with Synergy. AR, Tab 26, Finalization Memorandum and Related Communications. Following a debriefing, Alpha Omega filed this protest with our Office.¹¹

DISCUSSION

Alpha Omega challenges the agency's evaluation of the vendors' quotations in several respects and the agency's best-value tradeoff decision.¹² With regard to the agency's tradeoff decision, Alpha Omega argues that USDA's decision was inadequately documented, and therefore unreasonable, arguing that the record lacks sufficient evidence that the agency performed a qualitative and comparative assessment of acceptable quotations. Specifically, Alpha Omega contends that in documenting its source selection decision, the agency failed to explain what capabilities or features in Synergy's quotation warranted paying a price premium. Comments and Supp. Protest at 23-24; Supp. Comments at 17-19.

In response, the agency emphasizes that the contracting officer extensively exercised independent judgment throughout the evaluation and award process. Supp. MOL at 23-24. The agency states that Alpha Omega's contention in this regard is nothing more than disagreement with the "[a]gency's textbook example of a reasonable tradeoff analysis." *Id.* at 24. As discussed below, we agree with the protester's contention that

¹⁰ During the development of the protest, the contracting officer stated: "I agreed with the evaluation team's overall assessment of the trade-off for best value. My rationale is documented in the CO [contracting officer] Decision." COS at 17.

¹¹ The awarded value of the task order at issue exceeds \$10 million. Accordingly, this procurement is within our jurisdiction to hear protests related to the issuance of orders under civilian agency multiple-award, indefinite-delivery, indefinite-quantity contracts. 41 U.S.C. § 4106(f)(1)(B).

¹² During the development of this protest, Alpha Omega withdrew several of its protest grounds. For example, the protester initially alleged that the agency had not compared the proposed prices to the independent government cost estimate (IGCE) in its price evaluation. Comments and Supp. Protest at 22. In its supplemental agency report, the agency produced the IGCE and further documentation relating to the agency's price evaluation; information that should have been produced with the initial agency report. AR, Tab 30, Pricing Evaluation-Alpha Omega; Tab 31, Pricing Evaluation-Synergy; Tab 32, IGCE; Tab 33, EAS Pricing Evaluation Summary Cheatsheet. Upon receipt of these documents, Alpha Omega withdrew this protest ground. Supp. Comments at 13 n.6.

the selection decision does not explain, beyond references to the adjectival ratings, the capabilities or features identified to justify the tradeoff decision. As a result, we sustain Alpha Omega's challenge.¹³

In a "best-value" procurement, it is the function of the source selection authority to perform a tradeoff between price and non-price factors, that is, to determine whether one quotation's superiority under the non-price factor is worth a higher price. *ACCESS Sys., Inc., supra*; see also *Coastal Env'ts, Inc.*, B-401889, Dec. 18, 2009, 2009 CPD ¶ 261 at 4. In reviewing protests of awards in a task order competition, we do not reevaluate quotations but examine the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria and applicable procurement laws and regulations. *ACCESS Sys., Inc.*, B-400623.3, Mar. 4, 2009, 2009 CPD ¶ 56 at 7; *Triple Canopy, Inc.*, B-310566.4, Oct. 30, 2008, 2008 CPD ¶ 207 at 6-7.

Even where, as here, price is stated to be of less importance than the non-price factors, an agency must meaningfully consider cost or price to the government in making its selection decision. *e-LYNXX Corp.*, B-292761, Dec. 3, 2003, 2003 CPD ¶ 219 at 7. In this regard, ratings, whether numerical, color, or adjectival, are merely guides for intelligent decisionmaking. *One Largo Metro LLC, et al.*, B-404896 *et al.*, June 20, 2011, 2011 CPD ¶ 128 at 14. Specifically, before an agency can select a higher-priced quotation that has been rated technically superior to a lower-priced but acceptable one, the award decision must be supported by a rational explanation of why the higher-rated quotation is, in fact, superior, and explaining why its technical superiority warrants paying a price premium. *ACCESS Sys., Inc., supra*.

Relevant here, FAR part 16 requires that agencies document the basis for award and the rationale for any tradeoffs among cost or price and non-cost considerations in making the award decision. FAR 16.505(b)(7). An agency that fails to adequately document its source selection decision bears the risk that our Office may be unable to determine whether the decision was proper. *Johnson Controls World Servs., Inc.*, B-289942, B-289942.2, May 24, 2002, 2002 CPD ¶ 88 at 6.

Based upon our review of the record, we find that the contracting officer--acting as the source selection authority--failed to provide an adequate rationale for the tradeoff determination here, and thus, we are unable to conclude that the conclusion was reasonable. In short, the record lacks sufficient evidence to show that the contracting officer qualitatively assessed the differences between the two highly-rated quotations in making the source selection decision. In this regard, the source selection decision memorandum fails to identify, with any specificity, or substantively discuss, the superior

¹³ With the exception of the protest grounds discussed in this decision, we have considered all of Alpha Omega's allegations and find that none provide an independent basis to sustain the protest.

capabilities or features of Synergy's quotation that would justify the payment of a price premium. See AR, Tab 25, Decision Memorandum.

Throughout the development of the protest, the agency has maintained that its best-value tradeoff analysis was reasonable and sufficiently documented. MOL 46-50; Supp. COS at 10. In support of its claim, the agency argues that the decision memorandum shows that the contracting officer conducted an independent evaluation of quotations. *Id.* In this regard, the agency points to the contracting officer's disagreement with some of the technical team's findings. See, e.g., AR, Tab 25, Decision Memorandum at 13-14. In addition, the agency points to the following conclusion in the decision memorandum in support of the tradeoff decision:

The additional cost provides incredible value to the Government based on Synergy's demonstration of technical expertise and comprehensive approach to addressing both current and future challenges for EAS. Synergy has demonstrated unique innovative processes as well as their ability to take ownership of these processes though their past performance package as well as through their technical approach.

Id. quoting AR, Tab 24, Evaluation Team Recommendation Memorandum at 62.

Notably absent from the tradeoff analysis, however, is any substantive discussion of the specific qualities of Alpha Omega's and Synergy's quotations in relation to each other. The decision memorandum does not identify the basis for its conclusion that Synergy possesses superior technical expertise and past performance, as compared to that of Alpha Omega. While the contracting officer mentions "technical expertise" and "unique innovative processes" as beneficial qualities of Synergy's quotation, the decision memorandum does not provide any additional explanation of these capabilities or features. Thus, the general statement, quoted above, falls short of the requirement to justify its best-value tradeoff decision, especially where, as here, the two-highest rated vendors received identical adjectival ratings. *Id.* at 62.

A proper tradeoff decision must provide a rational explanation of why a quotation's evaluated technical superiority warrants paying a price premium. *ACCESS Sys., Inc., supra*. While the agency emphasizes that the "[contracting] [officer] extensively exercised [] independent judgment throughout the decision" (Supp. MOL at 23-24), the agency's contention is unavailing. The issue is not whether the contracting officer independently reviewed the quotations, but rather whether the agency conducted a qualitative comparison of the quotations and adequately documented the rationale supporting its award decision. The contracting officer here failed to identify and explain the specific benefits in Synergy's quotation that warranted paying a price premium, when compared to Alpha Omega's quotation, which received identical adjectival ratings for the non-price factors and was lower-priced. Based on this record, we find that the agency failed to conduct an adequate tradeoff and that this failure competitively prejudiced Alpha Omega, given that its quotation had the lowest evaluated price and

possibly could have been viewed as the best value quotation on that basis. See *System Eng'g Int'l, Inc., B-402754*, Jul. 20, 2010, 2010 CPD ¶ 167 at 5.¹⁴

RECOMMENDATION

We recommend that the agency, consistent with our decision, conduct and document a new best-value tradeoff analysis. If the new source selection decision concludes that a vendor other than Synergy represents the best value to the government, the agency should terminate Synergy's task order for the convenience of the government and award to the successful vendor, if otherwise proper. We also recommend that Alpha Omega be reimbursed for its costs of filing and pursuing the protest, including reasonable attorneys' fees. Bid Protest Regulations, 4 C.F.R. § 21.8(d). The protester's certified claims for such costs, detailing the time expended and costs incurred, must be submitted directly to the agency within 60 days after receipt of this decision. 4 C.F.R. § 21.8(f).

The protest is sustained.

Edda Emmanuelli Perez
General Counsel

¹⁴ Alpha Omega also argued that the agency disparately evaluated the quotations submitted by Alpha Omega and Synergy regarding their respective proposed business management framework platforms systems (referred to as "dashboards"). Comments and Supp. Protest at 14-16; Supp. COS at 5. Alpha Omega contends that the agency conducted a disparate evaluation as it appears to downgrade its quotation for proposing a pre-built dashboard, while simultaneously crediting Synergy's dashboard, which was proposed to be developed within [DELETED] days of award. *Id. citing* AR, Tab 25, Decision Memorandum at 12, 14. As stated above, however, the agency's technical evaluation did not formally identify strengths or weakness in the vendors' quotations. Additionally, in the decision memorandum document, the contracting officer did not identify the protester's and awardee's proposed dashboards as representing positive or negative features for purposes of conducting a tradeoff analysis. Thus, because the agency failed to conduct a qualitative and comparative assessment of the quotations, we are unable to conclude whether the agency's evaluation of the vendors' proposed dashboards was disparate or unreasonable. As a result, we are also unable to conclude whether this flaw in the evaluation resulted in competitive prejudice. Accordingly, the agency may wish to examine this issue, and document its findings, as appropriate, when implementing the corrective action recommended below.