Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: Teltara Inc.

File: B-280922

Date: December 4, 1998

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DIGEST

Source selection decision is not reasonable where the record does not provide any documentation or explanation which supports the decision, and the source selection memo essentially contains only percentage comparisons between the technical point score and price of the awardee's proposal and the technical point scores and prices of the other proposals, which do not support the purported best value determination.

DECISION

Teltara Inc. protests the award of a contract to TMI Services, Inc. under request for proposals (RFP) No. TIRWR-97-R-00005, issued by the Department of the Treasury, Internal Revenue Service (IRS), for janitorial services at the Ogden Service Center, Ogden, Utah. Teltara asserts that the agency's selection decision is unreasonable and does not accurately take into account the relative proposal evaluations.

We sustain the protest.

The solicitation, issued on August 1, 1997 as a competitive small business set-aside, contemplated the award of a fixed-price contract for a 1-year base period with four 1-year options. RFP §§ B.1, B.2. The solicitation provided that award would be made to the offeror whose proposal represented the best overall value to the government, to be determined "by comparing differences in the value of the technical features with differences in the offerors' prices." RFP § M.2. The RFP further stated that "[i]n making this comparison the Government is concerned with striking the most advantageous balance between technical features and price to the Government." Id. Under the evaluation criteria section, the solicitation provided that technical proposals would be scored on the basis of plan of accomplishment (30 points), business management (35 points) and business experience (35 points), for a possible total of 100 points, and provided that price proposals would not be point-scored, but would be compared and considered with the technical score in

determining which proposal offered the best overall value to the government. RFP § M.3.B. The RFP did not specify the relative importance of price and technical factors.

Fourteen firms, including Teltara and TMI, submitted proposals by the amended September 10 closing date. Source Selection/Technical & Cost Evaluation Memo at 1. The proposals were individually evaluated by a four-member evaluation team, after which the individual scores were averaged to obtain a final score under each evaluation criterion and these final scores were totaled to obtain each offeror's total technical score. Id. at 2. Based on this evaluation, six proposals, including Teltara's and TMI's, were included in the competitive range. Two rounds of discussions were conducted and best and final offers (BAFO) were received from the six competitive range offerors, as a result of which prices were revised but the technical evaluation scores for all offerors remained unchanged. Id. at 2-4. Technical scores and BAFO prices for Teltara and TMI were as follows:

	Technical Score	Price
Teltara	78.1	$3,716,275.16
TMI	93.1	$4,458,381.00

The contracting officer determined to make award to TMI as offering the best overall value to the government, concluding that the 16.65-percent price advantage associated with the lowest-priced Teltara proposal did not offset the 16.11-percent inferiority of Teltara's technical proposal relative to TMI's higher-scored technical proposal. Id. at 4-5. Award was made to TMI and this protest followed. While Teltara was entitled to a statutory stay of performance, the agency determined to override the stay and permit TMI to perform on the basis that it was in the best interest of the government. IRS Determination and Findings, September 2, 1998.

Teltara challenges the reasonableness of the agency's best value determination, pointing out that the RFP provided "no formula or process for determining 'best overall value'" and that its proposal, which was evaluated 16.11 percent lower technically than TMI's proposal was also 16.65 percent lower in price, thus offering a better value because a direct comparison of these percentages results in a .54 percent advantage to Teltara. Protester Comments at 2.

In a negotiated procurement, the government is not required to make award to the firm offering the lowest price unless the RFP specifies that price will be the determinative factor. Shirley Constr. Corp., B-240357, Nov. 8, 1990, 90-2 CPD ¶ 380 at 6. Since the RFP did not provide for award on the basis of the lowest priced technically acceptable proposal, but instead stated that the award would be made to the offeror whose offer represented the best overall value to the government,

considering price and technical factors, the contracting officer had the discretion to determine whether the technical advantage associated with TMI's proposal was worth its higher price. This discretion exists notwithstanding the fact that price and technical factors are of equal weight.[1] Id. The propriety of the price/technical tradeoff decision turns not on the difference in the technical scores or ratings per se, but on whether the selection official's judgment concerning the significance of the difference was reasonable and adequately justified in light of the RFP evaluation scheme. Cygnus Corp., B-275181, Jan. 29, 1997, 97-1 CPD ¶ 63 at 11.

In order for our Office to perform a meaningful review of an agency's selection determination, an agency is required to have adequate documentation to support its evaluation of proposals and its selection decision. Biospherics Inc., B-278508.4 et al., Oct. 6, 1998, 98-2 CPD ¶ 96 at 4; Arco Management of Washington, D.C., Inc. B-248653, Sept. 11, 1992, 92-2 CPD ¶ 173 at 3. While adjectival ratings and point scores are useful as guides to decision-making, they generally are not controlling, but rather, must be supported by documentation of the relative differences between proposals, their strengths, weaknesses and risks, and the basis and reasons for the selection decision. Federal Acquisition Regulation (FAR) §§ 15.608(a)(3), 15.612(d)(2) (June 1997); Century Envtl. Hygiene, Inc., B-279378, June 5, 1998, 98-1 CPD ¶ 164 at 4; Arco Management of Washington, D.C., Inc., supra, at 3.

Here, the source selection decision is unreasonable on its face and is not supported by the record. The contemporaneous documentation of the agency's technical evaluation process in the IRS report to our Office consists of copies of the evaluation sheets completed by the evaluation team members and the contracting officer's Source Selection/Technical & Cost Evaluation Memorandum. The proposal evaluation sheets completed by the evaluators contain numerical scores for each factor and subfactor, total point scores and narrative responses to questions concerning the proposals. There is also a sheet titled "Averaged Scores" that was completed for each proposal, which contains the scores assigned by each evaluator on each factor. These scores are averaged and the averages totaled to arrive at a total technical score for each proposal. While the agency report states that each proposal was scored independently and that the evaluation forms "were compiled to tally all the scores given for each offeror," Contracting Officer's Statement at 3, there is no indication that the evaluators discussed the strengths and weaknesses of the proposals or otherwise looked beyond the individual point scores in mechanically establishing a total technical score for each proposal.

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[1]Where, as here, a solicitation fails to indicate the relative importance of price and technical factors, they are considered to be equal in weight. Great Lakes Roofing Co., Inc., B-240731, Nov. 28, 1990, 90-2 CPD ¶ 439 at 3; Video Ventures, Inc., B-240016, Oct. 19, 1990, 90-2 CPD ¶ 317 at 3.

The contracting officer's Source Selection/Technical & Cost Evaluation memo provides only the total technical scores and prices for the competitive range proposals and percentage comparisons between TMI's technical score and price and the technical scores and prices of the other competitive range proposals. The contracting officer's memo contains no hint as to the basis for the scoring of the proposals; in fact, there is nothing in the record which indicates that the contracting officer was ever made aware of the individually noted strengths and weaknesses in TMI's or Teltara's proposals. Indeed, the record before us lacks any evidence that the contracting officer did anything more than make percentage comparisons among the competitive range proposal scores and prices in order to determine which offeror should be awarded the contract.

It is improper to rely, as the IRS essentially did here, on a purely mathematical cost/technical tradeoff methodology, unless the application of such a methodology is consistent with the RFP source selection scheme. General Offshore Corp.-Riedel Co., a Joint Venture, B-271144.2, B-271144.3, July 2, 1996, 96-2 CPD ¶ 42 at 8. In this case, beyond the mechanical comparison of the percentage differences in the price and technical scores, the contracting officer's only qualitative assessment of the technical differences between Teltara's and TMI's technical proposals consists of her observation that TMI's was highest and Teltara's lowest among the competitive range proposals.[2]

Moreover, the agency's mechanical comparative analysis of these scores is flawed. Specifically, as the protester points out, a simple comparison of Teltara's 16.11-percent technical inferiority with its 16.65-percent lower price, does not result in an advantage to TMI where, as here, technical merit and price are equal in weight. While the contracting officer's determination appears to assume that TMI's technical point score is of greater significance than Teltara's low price, the IRS offers no support for this position, nor is it consistent with the agency's mechanical application of the RFP source selection scheme. Accordingly, the source selection decision, apparently based only upon the point score percentage differentials, is inadequately supported by documentation and the record lacks evidence to ensure its reasonableness.

Since we find that IRS failed to document the reasonableness of its evaluation and award decision, we recommend that IRS reassess the relative technical merits and prices of the BAFOs, consistent with the RFP evaluation criteria, and make a proper

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[2]In the contracting officer's statement prepared after award for this protest, the only substantive comparison between any of the proposals consists of the contracting officer's recognition that "Teltara had the least technical merit of those in the competitive range," and her statement that: "[t]he difference between the awardee's technical merit and Teltara's is dramatic and provides for an assurance of quality performance at a reasonable price." Contracting Officer's Statement at 3.

and documented source selection determination. After doing so, if TMI's proposal is no longer considered the best overall value, the agency should terminate TMI's contract for the convenience of the government and award the contract to the offeror whose proposal is determined to represent the best value. In addition, we recommend that the protester be reimbursed its costs of filing and pursuing the protest. 4 C.F.R. § 21.8(d)(1) (1998). The protester should submit its certified claim, detailing the time expended and costs incurred, directly to the contracting agency within 60 days of receiving this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained.

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of the United States