



United States Government Accountability Office
Washington, DC 20548

DOCUMENT FOR PUBLIC RELEASE

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

Decision

Matter of: Electrosoft Services, Inc.
File: B-409065; B-409065.2; B-409065.3
Date: January 27, 2014

Katherine S. Nucci, Esq., and Scott F. Lane, Esq., Thompson Coburn LLP, for the protester.
Patricia Hammar, PKH Enterprises LLC, for the intervenor.
Roger A. Hipp, Esq., Department of Homeland Security, for the agency.
Charles W. Morrow, Esq., and Jonathan L. Kang, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest is sustained where the record shows that the agency's evaluation was flawed in three areas: (1) the agency unreasonably evaluated the experience of the awardee's proposed program manager; (2) the agency's evaluation of the protester's past performance did not consider the entirety of the protester's quote; and (3) although the agency concedes that the vendors' quotes offered similar technical approaches, the agency does not explain the basis for assigning the awardee's quote a higher rating.

DECISION

Electrosoft Services, Inc., of Reston Virginia, protests the award of a task order to PKH Enterprises LLC, of Bethesda, Maryland under request for quotations (RFQ) No. HSHQDC-13-Q-00226, issued by the United States Department of Homeland Security (DHS), for identity, credential, and access management (ICAM) program management support. Electrosoft challenges the reasonableness of DHS's evaluation of the vendors' quotes and the award decision.

We sustain the protest.

BACKGROUND

The RFQ was issued on July 3, 2013, as a small business set-aside. DHS solicited quotations from 14 vendors who held contracts under the General Services Administration's Federal Supply Schedule (FSS) No. 70, special item number

132-5, information technology (IT) professional service. Agency Report (AR) at 2. The RFQ sought a vendor to support the DHS ICAM program management office (PMO)¹ under a fixed-price and time-and-materials task order for a 12-month base period and two 12-month options. RFQ at 1. The RFQ stated that quotes would be evaluated based on following four evaluation factors, listed in descending order of importance: (1) technical approach and capabilities; (2) management approach/project management capabilities; (3) past performance; and (4) price. For purposes of award, the non-price factors, when combined, were significantly more important than price. Id. at 29.

With respect to the technical approach factor, the solicitation stated that the agency would evaluate the degree to which a vendor effectively demonstrated its knowledge, understanding, and technical ability to successfully perform the statement of work (SOW) requirements. Id. at 30.

Under the management approach factor, the evaluation was to be based on a vendor's demonstration of its general management approach to providing personnel capable of fulfilling all the SOW requirements. Id. The management approach factor required the vendor to propose a project management plan that clearly described project personnel and responsibilities, provide resumes for all key personnel proposed for the project, and describe each proposed individual's experience and capability. Id. The resumes and personnel descriptions were to address an individual's background, education, work experience, accomplishments and knowledge gained on similar efforts. Id. at 26. With regard to the qualifications of proposed personnel, the SOW stated that the proposed personnel must meet "minimum education and experience requirement[s]." Id. at 8-9.

Under the past performance factor, the evaluation was to be based on the extent to which a vendor's past performance in providing requirements similar in size, scope and complexity to that of the solicitation effectively demonstrated the likelihood of successful performance, as well as the relevance and quality of past projects. Id.

¹ The purpose of the ICAM program is to ensure that access to DHS facilities, systems, and applications is limited to appropriate users. RFQ at 3. The ICAM PMO's mission is to define, plan, promote, and coordinate the enterprise implementation of ICAM in accordance with federal mandates and best practices. Id. The ICAM program utilizes a DHS-wide enterprise level approach to incorporate digital identities, credentials, and access control to provide authorized users secure access to DHS facilities and systems. Id.

Nine vendors, including Electrosoft and PKH, submitted quotes by the July 23 closing date.² A technical evaluation team (TET) evaluated vendor's quotes under the technical and past performance factors utilizing an adjectival rating scale.³ The contracting officer, acting as a business team evaluator, performed a price analysis and past performance evaluation on the vendors' quotes. The results were as follows:

	ELECTROSOFT	PKH
OVERALL RATING	SATISFACTORY	SUPERIOR
Technical Approach	Satisfactory	Superior
Management Approach	Satisfactory	Superior
Past Performance	Satisfactory	Satisfactory
PRICE	\$8,734,722	\$8,924,421

AR, Tab 16, Award Decision, at 6.

In selecting PKH for award, the contracting officer concurred with recommendations of the TET and business team that PKH's quotation provided the best value to the government. The contracting officer noted PKH's superior technical ratings and satisfactory past performance ratings, and noted that despite the satisfactory ratings of the other vendors, including Electrosoft, there was a high degree of risk in awarding to contractors whose quotes did not show a full understanding of the SOW. See AR, Tab 16, Award Decision, at 7. The contracting officer found that PKH's team demonstrated strong knowledge and capability in ICAM governance, architecture, and engineering and that its quote articulated a very solid understanding of the requirements for ICAM, and the complex DHS ICAM and IT environments. Id. The contracting officer selected PKH for award on September 11. This protest followed.

DISCUSSION

Electrosoft challenges DHS's evaluation of Electrosoft's and PKH's quotes under the non-price factors. Specifically, Electrosoft argues that DHS unreasonably

² As relevant here, Electrosoft proposed to utilize three partners: [DELETED]; [DELETED]; and [DELETED]; PKH proposed to utilize two partners: [DELETED] and [DELETED].

³ The adjectival ratings applied to quotes under the non-price factors were superior, satisfactory, marginal, and unsatisfactory. The ratings applied under the past performance factor were superior, satisfactory, marginal, unsatisfactory and neutral. AR, Tab 14, Technical Evaluation Report, at 2.

evaluated PKH's proposed program manager under the management factor. The protester also argues that the agency unreasonably evaluated Electrosoft's past performance, and evaluated the vendors' quotes unequally under the technical approach factor. For the reasons discussed below, we agree with the protester and sustain the protest.⁴

Where, as here, an agency conducts a competition under the FSS provisions of Federal Acquisition Regulation (FAR) subpart 8.4, we will review the record to ensure that the agency's evaluation is reasonable and consistent with the terms of the solicitation. J. Squared Inc., dba University Loft Co., B-407302, Dec. 17, 2012, 2013 CPD ¶ 9 at 4-5; CMI Mgmt., Inc., B-404645, Mar. 2, 2011, 2011 CPD ¶ 66 at 4; GC Servs. Ltd. P'ship, B-298102, B-298102.3, June 14, 2006, 2006 CPD ¶ 96 at 6. In reviewing a protest challenging an agency's technical evaluation, our Office will not reevaluate the quotations; rather, we will examine the record to determine whether the agency's evaluation conclusions were reasonable and consistent with the terms of the solicitation and applicable procurement laws and regulations. Maybank Indus., LLC, B-403327, B-403327.2, Oct. 21, 2010, 2010 CPD ¶ 249 at 5; OPTIMUS Corp., B-400777, Jan. 26, 2009, 2009 CPD ¶ 33 at 4.

Key Personnel

Electrosoft contends that PKH's program manager failed to satisfy the SOW's minimum education and experience requirements, and for this reason the agency's evaluation of the awardee's quote under the management approach factor was unreasonable. As set forth below, we agree.

The SOW designated the ICAM program manager as the only key personnel position. RFQ at 8-11. The ICAM program manager was required to have a master's degree or higher and six years of relevant experience, or a combination of equivalent education and experience. Id. at 9. For example, if a proposed program manager had only a bachelor's degree, the SOW required the program manager to also have 8 years of relevant experience. Id. at 9. The SOW listed the duties of the program manager, which included the requirement that the program manager have domain and expert technical knowledge in ICAM, and knowledge and experience in implementing enterprise ICAM framework systems for large and complex organizations. Id. The SOW also specifically described the ICAM program manager position as follows:

It is anticipated that the ICAM Program Manager shall be one of the senior level employees provided by the Contractor for this work effort.

⁴ Electrosoft raises other collateral arguments. We have reviewed all of the protester's arguments and, with the exception of those discussed below, find that none provides a basis to sustain the protest.

The ICAM Program Manager will provide technical/management leadership on major tasks or technology assignments and establish ICAM program goals and plans that meet project objectives. The ICAM Program Manager shall have domain and expert technical knowledge in ICAM. The ICAM Program Manager will direct and control activities for a client, having overall responsibility for financial management, methods and staffing to ensure that all requirements in the SOW are met and support interactions [that] involve client negotiations and interfacing with senior management. The ICAM Program Manager shall have knowledge and experience in implementing enterprise ICAM framework and systems for large and complex organizations.

RFQ at 11-12.

PKH proposed a program manager with only a bachelor's degree. See AR, Tab 7, PKH Quote, Appendix B, ICAM Program Manager Resume, at 1. As a result, the SOW required this individual to have at least eight years of experience in the duties and responsibilities identified for the program manager position. RFQ at 9. The resume for the program manager proposed by PKH states that he has "over 22 years of professional communications and IT experience and 15 years of senior management experience." AR, Tab 7, PKH Quote, Appendix B, ICAM Program Manager Resume, at 1. The resume, however, does not list positions that cover the years of experience claimed.⁵

DHS's evaluation of PKH's quote did not specifically address the qualifications of the proposed program manager. AR, Tab 14, Technical Evaluation Report, at 11-12. The agency, however, rated the awardee's quote as superior under the management approach factor, based on an "outstanding over-all program management plan" and an appropriate staffing plan. Id.

Electrosoft contends that PKH's proposed program manager's resume, including the job titles and descriptions, do not demonstrate that this individual possessed the requisite 8 years relevant experience required by the SOW. In contrast, the

⁵ Instead, the resume lists the following four positions, which cover only approximately 12 and a half years of experience: (1) senior communications strategist at PKH, from March 2009 to the present; (2) senior vice president of marketing and communications at the Washington, DC, Chamber of Commerce, from March 2005 to May 2007 and March 2008 to March 2009; (3) president of TechAssist, LLC from March 2007 to February 2008; and (4) vice president of marketing & communications at the Washington, DC, Marketing Center, from October 2000 to March 2005. AR, Tab 7, PKH Quote, Appendix B, ICAM Program Manager Resume, at 1-3.

protester notes, the agency assigned a weakness and risk to Electrosoft's quote because its proposed ICAM manager had limited experience. See AR, Tab 14, Technical Evaluation Report, at 8. The protester argues that because the agency failed to reasonably evaluate PKH's sole key personnel position, the agency unreasonably assigned the awardee's quote the highest possible rating for this factor.

In response to the protester's assertions, DHS states only that the agency found that PKH's program manager satisfied the requirements based on his 22 years of professional communications and IT experience, 15 years of senior management experience,⁶ and his experience supporting DHS programs since 2009. See Second Supp. AR (Dec. 9. 2013) at 18; Decl. of Task Order Decision Selection Official, at 1. The agency argues that the combined experience is relevant because the RFQ requires technical, management, and communications expertise.

Electrosoft argues, and our review of the record leads us to conclude, that the proposed program manager's resume does not explain how his 12 years of experience relate to the ICAM requirements of the solicitation. Specifically, while the resume claims that the proposed program manager "has knowledge . . . in implementing enterprise ICAM framework and systems for large and complex organizations" and "has managed multiple program initiatives in support of ICAM related projects on behalf of DHS," the job titles and descriptions in his resume do not demonstrate that this experience covers the required 8 years of experience. Id. at 3.

With regard to the first and most recent position listed in the resume, the proposed program manager's work at PKH involved coordination with DHS activities on governance and government-wide interoperability issues related to ICAM for the DHS National Security Systems Joint Program Management Office. See id. at 1-2. This work, however, began in March of 2009, and thus--even assuming it qualifies as relevant experience--it does not reflect the requisite 8 years of experience.

With regard to the remainder of positions listed in the proposed program manager's resume, Electrosoft argues that none clearly reflects the required experience. Our review confirms that the awardee's proposal does not explain the relevance of the remaining positions to the experience requirements set forth in the solicitation for the program manager position.⁷

⁶ The program manager's resume included this information in a section of the resume generally describing the program manager's background experience. AR, Tab 7, PKH Quote, Appendix B, ICAM Program Manager Resume, at 1.

⁷ For the DC Chamber of Commerce position, the resume states that this individual "[o]versaw all aspects of marketing, communications, membership, events, business development and information technology," and managed staff who carried
(continued...)

In sum, we agree with the protester that the resume for PKH's proposed program manager does not demonstrate that he has 8 years of experience implementing ICAM framework and systems for large and complex organizations, nor does the resume describe work directly related to those requirements. Similarly, we agree with the protester that neither the contemporaneous record, nor the agency's response to this protest, explains why the general experience cited in the individual's resume related to the specific SOW requirements. On this record, we conclude that the agency's evaluation was not reasonable and sustain the protest.

Past Performance

Next, Electrosoft contends that DHS unreasonably evaluated its past performance because the agency failed to evaluate the entirety of its quote. For the reasons discussed below, we agree.

Where a solicitation requires the evaluation of offerors' or vendors' past performance, we will examine an agency's evaluation to ensure that it was reasonable and consistent with the solicitation's evaluation criteria, since determining the relative merits of offerors' past performance information is primarily a matter within the contracting agency's discretion. The MIL Corp., B-297508, B-297508.2, Jan. 26, 2006, 2006 CPD ¶ 34 at 10.

DHS's evaluation of vendors' past performance considered the relevance (e.g., size, scope, and complexity) and quality of vendors' prior projects, based on information collected from responses to DHS past performance questionnaires by the vendors' references, and information in the past performance information retrieval system (PPIRS).⁸ See AR, Tab 13, Past Performance Report, at 1-2. DHS evaluated the past performance of Electrosoft and two of its teaming partners. For Electrosoft, the agency received four past performance questionnaire responses, for which Electrosoft was rated outstanding in all areas of the survey, including quality of service, timeliness of performance, business relations, and cost

(...continued)

out revenue producing activities. AR, Tab 7, PKH Quote, Appendix B, ICAM Program Manager Resume, at 2. At TechAssist, the resume states he provided technical direction and IT architecture consultation involving pricing, product development and competitive analysis. Id. at 2-3. At the DC Marketing Center, he "[o]versaw the day-to-day operations" including developing and producing marketing materials to "promote . . . Washington, DC as a destination for business and investment." Id. at 3.

⁸ PPIRS is a web-enabled, government-wide application that collects quantifiable delivery and quality past performance information. See FAR § 42.1503.

control. Id. at 13-14. An additional report in PPIRS was considered that rated Electrosoft satisfactory in all areas. Id. at 13. For the protester's partner [DELETED], the agency received two questionnaires, which contained ratings of outstanding and good in all areas of the survey; there were no PPIRS reports for [DELETED]. Id. at 14. For the protester's partner [DELETED], the agency did not receive any questionnaires or the PPIRS report; however, the agency verified the reference and learned that the program manager for that contract rated [DELETED] outstanding for quality of service, timeliness of performance, business relations, and contractor management of personnel, and not applicable (N/A) for cost control. Id. at 13-14.

DHS's past performance evaluation found that although Electrosoft's record reflected program and project management performance on contracts of similar value and size, Electrosoft's quote did not explain how its performance record related to the scope and complexity of the solicitation, and also did not provide adequate detail concerning its teaming partners. AR, Tab 14, Technical Evaluation Report, at 8-9. Based on these ratings, the agency assigned the protester a satisfactory rating for past performance. Id.

In its response to the protest, DHS acknowledges that Electrosoft's past performance references were "more favorable" than those for PKH. Second Supp. AR (Dec. 9, 2013) at 21. The agency argues, however, that it reasonably assigned a satisfactory rating for Electrosoft's past performance because of two weaknesses discussed above: (1) the quote did not adequately relate the protester's performance to the solicitation requirements, and (2) the quote did not provide adequate detail regarding the subcontractors' performance. Specifically, the agency states that its evaluation was based on a table in Electrosoft's quote where the vendor summarized the relevance to DHS of Electrosoft's contracts. See AR, Tab 8, Electrosoft Quote, at 26; Supp. AR (Nov. 27, 2013) at 14-15; Second Supp. AR (Dec. 9, 2013) at 21-22. The agency states that this table did not provide clear details, and that it was difficult to ascertain from the "terse" descriptions the extent to which the projects were similar in size and scope to the solicitation.⁹ Supp. AR (Nov. 27, 2013) at 14-15; Second Supp. AR (Dec. 9, 2013) at 21-22.

Electrosoft notes, however, that its quote was not limited to the table cited by the agency in its response to the protest. Instead, the protester's quote contains 14 additional pages with specific narrative information on each contract performed by the protester and its subcontractors, describing the efforts, results, and successes of those contracts. See AR, Tab 8, Electrosoft Quote, at 27-40. At no point did DHS's evaluation--or its two responses to the protester's arguments

⁹ In contrast, DHS states that PKH provided a more detailed, narrative description of its past performance, which provided "considerably more detail than Electrosoft." Supp. AR (Nov. 27, 2013) at 14-15;

concerning this precise issue--address any of the facts or descriptions set out in Electrosoft's 14 pages of narrative concerning its past performance.

On this record, we conclude that DHS's evaluation was unreasonable because, the record shows, the agency did not evaluate the entirety of the protester's quote.¹⁰ We therefore sustain this basis of protest.

Unequal Treatment

Finally, Electrosoft argues that DHS evaluated the vendors' quotes under the technical approach factor unequally. We agree.

It is a fundamental principle of government procurement that competition must be conducted on an equal basis; that is, the contracting agency must treat all offerors or vendors equally; it must even-handedly evaluate offers against common requirements and evaluation criteria. See Diebold, Inc., B-404823, June 2, 2011, 2011 CPD ¶ 117 at 4; Tidewater Homes, Realty, Inc., B-274689, Dec. 26, 1996, 96-2 CPD ¶ 241 at 3.

Electrosoft notes several areas where DHS's evaluation of the vendors' quotes reflects more positive comments for the awardee, despite what the protester contends were similar approaches, or similar levels of detail, in the vendors' quotes. For example, the TET identified a strength for PKH's quote for demonstrating the ability to develop an Enterprise PIV program oversight plan and integrate personal

¹⁰ Additionally, Electrosoft argues that the agency's evaluation of the vendors' past performance was unreasonable because it failed to account for differences in the vendors' ratings. As noted, Electrosoft was rated outstanding on all four of its questionnaires, and its partners were rated outstanding, good, and outstanding. In contrast, the record evidences that the agency assigned PKH's quote a satisfactory past performance rating based on three questionnaires where it received outstanding, good, and acceptable responses; two questionnaires for [DELETED] that were outstanding and good, as well as a two PPIRS reports that were satisfactory and very good; and three questionnaires for [DELETED] that were outstanding, good and acceptable. Id. at 15-18. As our Office has held, past performance evaluations should not be based on simple mathematical calculations of the assigned ratings. See Palmetto GBA, LLC; CGS Admins., LLC, B-407668 et al., Jan. 18, 2013, 2013 CPD ¶ 53 at 7. Here, however, neither the contemporaneous record, nor the agency's response to the protest provides a meaningful explanation as to the basis for the agency's evaluation ratings. For this reason, in addition to reevaluating Electrosoft's past performance, the agency may wish to better document the basis for its ratings of both the protester and the awardee.

identity verification (PIV) task into an ICAM integrated master schedule. See AR, Tab 14, Technical Evaluation Report, at 11. The protester contends that its quote also described in detail its experience with similar PIV projects; described how it would support DHS in developing and implementing the PIV Logical Access Control System solution; and described how it would develop an Enterprise PIV program oversight plan and integrate the PIV task into the ICAM Integrated Master Schedule. See AR, Tab 8, Electrosoft Quote, at 11-19. The protester also notes that its quotation addressed the PIV logical access requirements and future target state ICAM requirement and experience using Attribute-Based Access Control architecture. See id. The protester argues that the agency treated the vendors unequally here because the agency found that the awardee's quote provided a "very solid understanding" of the PIV requirements and provided a lengthy description of the benefits of its approach, while noting that the protester's quote reflected "an understanding" of the requirements. See AR, Tab 14, Technical Evaluation Report, at 8, 11.

Similarly, Electrosoft contends that the agency's evaluation of the vendors' knowledge and understanding of DHS business management and analysis requirements ignored similar details in the vendors' quotes, and unreasonably assigned more favorable comments--and a higher rating of superior--to the awardee's quote. See id.

In response to arguments by the protester that its quotation was comparable the awardee's, DHS acknowledges, in several instances, that the vendors' quotes were similar. See Second Supp. AR (Dec. 9, 2013) at 13-16. Nonetheless, the agency contends that even where it used more favorable language to describe the awardee's quote, despite the similarities to the protester's quote, Electrosoft was not prejudiced because any such errors would likely not have changed the result of the competition. See id. As discussed above, however, we conclude that there were other errors in the agency's evaluation of the vendors. For this reason, we do not agree with DHS that its apparent unequal treatment of Electrosoft under the technical evaluation was a non-prejudicial error.

Moreover, the record produced in the course of this protest provides little explanation about why PKH's quotation was rated superior under the technical approach factor, while Electrosoft's quotation was rated only satisfactory. In areas where the protester has highlighted similarities in the quotations, the agency has, in essence, conceded the similarities and acknowledged that the evaluators had little basis for the distinctions made in the contemporaneous record. While it is not the job of our Office to evaluate quotations, and while there may have been a basis for drawing distinctions between these quotations, given the record developed here, we find no basis to conclude that the agency treated the vendors equally. We therefore sustain this basis of protest.

CONCLUSION AND RECOMMENDATION

For the reasons discussed above, we conclude that DHS's evaluation of PKH's quote under the management approach factor was unreasonable, that the agency's evaluation of Electrosoft's quote under the past performance factor was unreasonable, and that the agency treated the vendors unequally under the technical approach factor. We conclude that the protester was prejudiced by these errors because a new evaluation could change the relative technical standing of these vendors, and because Electrosoft proposed a lower price than PKH. We therefore sustain the protest.

We recommend that DHS perform a new evaluation consistent with this decision, fully document the basis for its evaluations, and make and document a new award decision. If PKH is not selected for award, the agency should terminate PKH's contract and make award to the vendor whose quote is determined to be the best value. We also recommend that the protester be reimbursed its costs of filing and pursuing its protest, including reasonable attorneys' fees. Bid Protest Regulations, 4 C.F.R. § 21.8(d)(1) (2013). The protester's certified claim for costs, detailing time expended and costs incurred, must be submitted directly with the agency within 60 days of receiving this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained.

Susan A. Poling
General Counsel