



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20543

B-178295 (37)

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October 18, 1973

Graham and Giles
805 South Main
Wichita, Kansas 67213

Gentlemen:

This is in reply to the June 13, 1973, letter from Congressman Garner E. Shriver, forwarding your request that we investigate the rejection of your proposal and the award of a contract to another firm under solicitation No. SBA-406-LA-73-1, issued by the Small Business Administration (SBA), Washington, D. C.

The solicitation was for management and technical assistance to be rendered to individuals or enterprises pursuant to the Section 406 of the Economic Opportunity Act of 1964 (42 U.S.C. 2906b). Eleven offers to perform these services in SBA's Region 7, including yours, were received in response to the solicitation. Your proposal received an evaluation score of 35 points out of a possible 100, which was the third highest score, while the proposal submitted by Lawrence Leiter and Associates received the high score of 89.7. Award was made to Leiter at its proposed price of \$198,940, and you have questioned whether Leiter's proposal was worth the increased expenditure in view of your proposed price of \$151,973.

The solicitation advised offerors that proposals would be evaluated on a point system, with a maximum of 30 points to be awarded for each of the following categories:

"1. Quality, experience and capability of staff offeror intends to assign to this project.

"2. Previous experience and effectiveness in performing services, indicated by prior work and demonstrated by ability to deal effectively with individuals and enterprises eligible to be served."

The solicitation further advised that awards would be made to firms which "in the judgment of the Small Business Administration, are best qualified--price and all other factors considered."

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SBA has reported that evaluation of your proposal indicated a lack of "management skills and overall ability to perform the contract in a manner most productive to the assisted concerns or individuals," while Leiter, an incumbent contractor, "had earned a good record of performance in terms of the results produced and rapport with those assisted," and that it was in the Government's best interest to award a contract to Leiter at its higher price. Our review of the record, including your proposal and the evaluation documents, indicates that Leiter's high score was based on its having a large, qualified staff and on its excellent prior performance, while your proposal was viewed as reflecting strength in the accounting field but weakness in other areas. We see nothing arbitrary or improper in either the evaluation that was made or in the decision to award a contract to the higher-priced, higher-rated offeror. It is well established that in a negotiated procurement award may be based on factors other than price, and that the procuring agency may determine whether the superiority of a particular proposal is worth a higher price or whether the Government's needs can be satisfied by a lower-rated proposal at a lower price. 50 Comp. Gen. 110 (1970); B-176077(1), January 26, 1973. In view of the significant difference between the evaluation scores awarded to your proposal and to Leiter's, SBA decision to make an award to Leiter appears to be reasonable.

Sincerely yours,

R.F.KELLER

Deputy Comptroller General
of the United States