



July 27, 2022

BY EMAIL AND CERTIFIED MAIL

Alicia Brown



Re: Supplier Disagreement Resolution No.: SDR-22-TR-005

Dear Ms. Brown:

This letter responds to the business disagreement (“Disagreement”) submitted by you (“Ms. Brown”) on July 6, 2021, to the Supplier Disagreement Resolution Official (the “SDRO”) concerning the award of a contract on HCR No. 224D6 for service from Locust Grove, VA (the “Award”), issued by the United States Postal Service (“Postal Service”) under Solicitation No. 801-913-22 (“Solicitation”).

Background

1. Solicitation and Evaluation Criteria

The previous contract for HCR 224D6 was held by Dale A. Ghee on a temporary basis. The Solicitation was sent to interested parties on May 10, 2022. The Solicitation informed offerors that an award would be made on a best value basis. Specifically, the Solicitation stated that a contract would be awarded “to the offeror whose offer conforming to the solicitation is deemed to offer the Postal Service the best value, price and other factors as specified considered.” (Solicitation, Provision 4-12(a)). The stated evaluation factors were Past Performance, Supplier Capability, and Operations Plan. The Solicitation notified offerors that the evaluation factors were more important than price, however price would become more important if selecting between or among closely ranked technical proposals.

With regard to the possibility of discussions, the Solicitation stated that the “Postal Service may evaluate offers and award a contract without discussions with offerors,” and as a result, “the offeror’s initial offer should contain the offeror’s best terms from a price and technical standpoint.” (Solicitation, Provision 4-11(e)). The Solicitation required offerors to complete and submit the representations and certifications in Provision 4-3.

2. Evaluation and Award Decision

Seven offers were received in response to the Solicitation, including offers from [REDACTED] (“Awardee”) and Ms. Brown. The Awardee submitted an offer that was given a

rating of “Good” in all three of the evaluation factors. In contrast, Ms. Brown’s offer received a lower rating of “Fair” in the Past Performance factor, and ratings of “Good” in both the Supplier Capability and Operating Plan factors. None of the remaining offerors received higher technical ratings than the Awardee.

The Awardee’s offered price of \$ [REDACTED] was the lowest offered price of all the offerors. Ms. Brown’s offered price was \$ [REDACTED], which is \$ [REDACTED], or [REDACTED]%, higher than the price offered by the Awardee. Because no other offeror received higher technical ratings than the Awardee, and the Awardee offered the lowest price, the contracting officer made a determination that the Awardee’s offer presented the best value to the Postal Service. As a result, the Awardee was selected for award.

3. Initial Disagreement

On June 9, 2022, Ms. Brown filed an initial disagreement with the Postal Service (“Initial Disagreement”). The Initial Disagreement stated the following:

1. There was only a \$ [REDACTED] difference between Ms. Brown’s offer and the Awardee’s offer, and Ms. Brown would have matched the Awardee’s price if given the opportunity. Ms. Brown stated that her position as the current contract holder, having provided emergency service to the route, along with her long history of good performance, should have afforded the opportunity to match the Awardee’s offered price.
2. Ms. Brown is a local, minority female-owned, small business supplier that currently services three routes out of the Locust Grove Post Office
3. Ms. Brown has hired additional personnel working out of the Locust Grove location, trained and available to cover any of Ms. Brown’s routes allowing for uninterrupted service.
4. Ms. Brown has worked with the Postal Service at the Locust Grove location since 2009.
5. Ms. Brown has a total of four vehicles that represent a good Postal image.
6. There are no service issues on any of the three contracts held by Ms. Brown.

On June 10, 2022, the contracting officer (CO) issued a decision denying the Initial Disagreement (“CO Decision”). The CO stated that the best value determination was performed based on the Solicitation’s stated evaluation factors. Regarding the Past Performance Factor, the CO first noted that Ms. Brown received a lower rating than the Awardee, and then noted that Ms. Brown failed to provide service for a full year on a previous contract (HCR 224B7). When evaluating Ms. Brown’s offer, the CO stated that there was a notable difference as compared to the Awardee.

With regard to the price difference, the CO stated that the ~\$ [REDACTED] higher price offered by Ms. Brown was only for one year of the contract, and over the life of the 6-year contract would equate to a ~ [REDACTED] difference. Further, the CO stated that the evaluation was performed with the assumption that suppliers put forth their best offer,

and the evaluation and best value decision was made based on the Solicitation's stated evaluation factors.

Disagreement

On June 22, 2022, Ms. Brown appealed the contracting officer's decision to the SDRO. ("SDRO Disagreement"). The SDRO Disagreement raises two issues:

- Issue 1: Ms. Brown would have matched the offered price of the Awardee
- Issue 2: Ms. Brown disputes the claim by the contracting officer that Ms. Brown failed to provide service on HCR 224B7

Each of the issues raised in the SDRO Disagreement are addressed below.

Discussion

Issue 1: Failure to Provide Ms. Brown the Opportunity to Match Awardee's Price

In performing its evaluation and making its award decision, the Postal Service relied upon the initial offers submitted by offerors. Ultimately the Postal Service selected the Awardee's proposal which offered the best value solution based on the stated criteria. In this case, the Awardee offered the highest ranked technical solution and the lowest priced bid Ms. Brown states in both the SDRO Disagreement and the Initial Disagreement that she would have lowered her offered price to match the price offered by the Awardee. However, the Solicitation informs offerors that the Postal Service may make an award without discussions, and further cautions offerors that the "initial offer should contain the offeror's best terms from a price and technical standpoint." (Solicitation, Provision 4-11(e)). The Postal Service conducted its evaluation and award decision based upon the terms of the Solicitation, and was under no obligation to allow Ms. Brown to modify her offer.

Therefore, I deny this basis for Ms. Brown's disagreement.

Issue 2: Dispute of Ms. Brown's Past Performance Rating

Ms. Brown's offer received ratings of "Good" in the Supplier Capability and Operating Plan evaluation factors, which was identical to the ratings received by the Awardee's offer in those factors. In the Past Performance factor, Ms. Brown's offer was rated lower than the Awardee's, with Ms. Brown receiving a "Fair" rating and the Awardee receiving a "Good" rating. The CO Decision stated that there was a notable difference in the past performance of Ms. Brown versus the awardee, citing a previous contract held by Ms. Brown that was allegedly abandoned from January 2018 through December 2018.

In the SDRO Disagreement, Ms. Brown disputes the characterization in the CO Decision that Ms. Brown failed to provide service on one of her routes for the year 2018.

Ms. Brown's dispute of this characterization appears to be contradicted by the representations and certifications contained in Provision 4-3 that were submitted with her offer. In her offer, Ms. Brown checked the certification that she had, within the previous 3 years, had one or more contracts terminated for default by a Federal, state, or local agency. It is unclear from this certification if Ms. Brown was referencing the same route discussed in the CO Decision, or if she was referring to another contract that was terminated for default within the last 3 years. Nevertheless, a previous instance of default would reasonably have contributed to a reduction in Ms. Brown's rating in the Past Performance factor.

Even if Ms. Brown's challenge to the CO Decision's characterization of her past performance was accepted, the award decision by the Postal Service is reasonable. The Solicitation informed offerors that price would become more important when selecting among offers with closely ranked technical ratings. Assuming that without the past performance issues discussed in the CO Decision Ms. Brown's Past Performance rating would have been increased to "Good", this would have meant Ms. Brown would have had identical technical ratings as the Awardee. As stated in the Solicitation, if both Ms. Brown and the Awardee had identical ratings, then price would become the determining factor. Ms. Brown's offered price was \$ [REDACTED], or [REDACTED]%, higher than the price offered by the Awardee. Thus, the Postal Service's award decision was reasonable and in accordance with the terms of the Solicitation.

Therefore, I deny this basis for Ms. Brown's disagreement.

SDRO Decision

I have reviewed the matter and conclude that Ms. Brown has not raised any valid challenges to the Postal Service's evaluation of proposals or the award. Therefore, it is my decision to deny Ms. Brown's SDRO Disagreement. In accordance with 39 C.F.R. § 601.108(g), this is my final and binding resolution of this matter.

Sincerely,

E-SIGNED by Nicholas.G Faiola
on 2022-07-27 14:58:02 CDT

Nicholas G. Faiola
Director, Supply Management Infrastructure
Supplier Disagreement Resolution Officer

cc: Brian Ray, Contracting Officer