



January 21, 2011

Mr. David W. Elam
Chief Operations Officer, BrightKey, Inc.
9050 Junction Drive
Annapolis, MD 22701-1150

RE: Supplier Disagreement Resolution Case No. SDR11SR-01
Regarding Solicitation #2A-09-0113, Mailroom Management Services

Dear Mr. Elam:

Your October 20, 2010, letter presented a disagreement as defined in 39 CFR Part 601 on behalf of BrightKey, Inc. (BrightKey) with respect to the referenced solicitation above for the management of the Postal Service Headquarters mailroom. You object to the Contracting Officer's award of the referenced solicitation to another supplier based on your assertion that the CO treated BrightKey unfairly and in prejudiced manner. Specifically, you assert that your cost proposal was not evaluated based upon the same criteria used to evaluate the submitted by the successful offeror. Additionally, you stated that BrightKey did not receive a fair and proper evaluation of your technical proposal. Based on your assertions, you asked me to overturn the existing contract award, conduct a corrected and proper evaluation of the proposals, and make a proper award decision which you believed if done would result in an award to BrightKey.

I have examined the disagreement you lodged with me as well as the additional information you provided. I have also examined the Contracting Officer's contract file. After careful consideration of all of the facts and documentation presented to me, I have concluded that your disagreement is denied and the CO's award is sustained.

The rationale for my decision follows:

Response to allegation regarding evaluation of cost proposals: First of all, I note that while price is important Postal Service, it is not the only factor used to determine best value. It should be noted that the Solicitation at page 9 provided that "Price will be evaluated separately from the performance evaluation factors. The supplier's technical proposal and the corresponding performance evaluation factors are more important than price; however the USPS will not make an award for a significantly higher-priced proposal that provides minor or marginal increases in performance." Here, BrightKey's lowest priced proposal was slightly less than the successful offeror. However, the successful offeror's proposal significantly out-scored BrightKey's technical proposal and performance evaluation. As a result, a simple comparison of the cost proposals is not determinative of the best value to the Postal Service.

You claimed that BrightKey was required to resubmit your proposal based upon GCIII: 4,000 hours; GCII: 4,000 hours and GCI: 16,000, and suggested the CO acted improperly in making such a request. While I agree that the CO could have used more clear language when he requested a revised technical proposal based on those hours and designations, I find nothing inherently improper in his request. The Solicitation on page 5 indicated that "The USPS anticipates that each offeror will propose an hourly rate for each labor category identified in the SOW and Attachment 3." Attachment 3 highlighted GCI, GCII and GCIII. The Solicitation on page 8 further indicated that "Offerors are encouraged to submit multiple offers presenting alternative terms and conditions or commercial items for satisfying the requirements of this solicitation. Each offer submitted will be evaluated separately." Successful offer provided two alternatives in its initial proposal, one of which was a bid that included

each of those three specified categories. BrightKey's initial proposal only included GCI and GCIII. The CO's request essentially gave BrightKey another opportunity to provide a proposal that was in line with what was expected in response to the Solicitation and what had already been bid by the other offeror. The CO had no obligation to provide BrightKey with that opportunity and could have judged BrightKey solely based on its initial proposal. In fact, my review of the record indicates that the CO did in fact evaluate both BrightKey's revised proposal that included each labor category identified in Attachment 3 to the Solicitation, as well as its initial, alternative proposal, and then concluded that neither proposal represented the best value for the Postal Service. I reviewed the same and also find that BrightKey's proposal did not represent a better value than the offer selected, even if I subtract the increase in labor costs represented by the CO's "request".

Moreover, after reviewing the spreadsheet associated with your technical proposal I noted that, if performed as proposed, BrightKey would earn no profit during the base or option periods of this contract. When evaluating your proposal, the CO considered the risks to be very high in accepting a no profit structure on a 7 year contract. I agree with the CO that under the circumstances, this scenario creates an undesirable risk of potential unplanned disruption of contract performance.

Similarly, with respect to BrightKey's argument that it had a reasonable basis upon which to expect that a reduction in required workforce would be warranted due to decreasing mail volume, I find that BrightKey asserted that as conclusion without sufficiently detailing in its proposal how it would respond if its expectation proved to be incorrect or addressing how manpower relates to mail volume when the number of mail stops does not change. In light of the fact that BrightKey was proposing to do the contract at cost with no profit, if the mail volume or mail stops were such that BrightKey would have needed more staff or more work hours, BrightKey would have to perform the contract at a loss. This, too, creates a potential risk of disruption, which the Postal Service is unwilling to take.

Response to allegation regarding evaluation of technical proposals: First of all, the Solicitation at Provision 4-2, Evaluation, paragraph a. states that the Postal Service will award a contract resulting from this solicitation 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. The Solicitation on page 10 and the SOW at page 4 specifically asked offerors to provide a summary of the company's relevant experience with respect to a mail room environment supporting a facility of no less than 2,500 staff. I determined that your proposal failed to conform to the above provision of the Solicitation. In fact, the example cited by BrightKey indicated experience with mailroom customer support of only at most 1,300 customers.

Additionally, while I agree that Mr. Dilks has demonstrated his experience and past performance associated with respect to the technical requirements of the solicitation, I find BrightKey's proposal to lack specificity and definition of Mr. Dilks' specific role in the management or performance of this contract, other than to indicate that he would be the "Contract Director." The day-to-day role or duties of the Contract Director are not spelled out in the proposal. Additionally, Mr. Dilks is but one individual with the desired capability to potentially perform this contract and BrightKey presented no facts as to other employees with similar experience if Mr. Dilks were to no longer be associated with BrightKey. Therefore I concluded that the proposal evaluators fairly rated BrightKey's past performance lower because it failed to adequately demonstrate experience or similar experience in handling mailroom management services equal to or greater than 2,500 mailroom customers as stated in the Solicitation and the Statement of Work.

I find no issue of concern with respect to BrightKey's concern that a Contingency Plan was not specifically required by the Solicitation. It is clear throughout the Solicitation that the Postal Service was seeking "a plan that will provide the services to meet the requirements as specified in the Statement of Work", information on "quality control" measures and "customer satisfaction," evidence of the "ability to adhere to contract schedules," and to "ensure that there is no disruption in service."

As a result, a reasonable offeror should not be surprised that a technical evaluation of its proposal would be bolstered if a specific contingency plan was outlined.

Conclusion: After my review of the contract file and consideration of the points raised in BrightKey's disagreement, I find that the Contracting Officer's award to be in the Postal Service's best interest. Therefore, your disagreement is denied.

In accordance with 39 CFR 601.108(g), this is my final decision.

Sincerely,

A handwritten signature in cursive script that reads "Trent Ensley".

Trent Ensley
USPS Supplier Disagreement Resolution Official

cc: Contracting Officer