



March 21, 2024

BY EMAIL

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Re: Supplier Disagreement Resolution No. SDR-24-MO-003

Dear Mr. Castellano:

This letter is in response to the business disagreements submitted on behalf of Samsara, Inc. ("Samsara") to the Supplier Disagreement Resolution Official ("SDRO") via email on January 29, 2024, and February 20, 2024 (the "SDRO Disagreements"), concerning Solicitation 3A-22-A-0080 (the "Solicitation") for Advanced Telematics Devices (Telematics).¹ For the reasons set forth below, these disagreements are denied.

Background

The Telematics program is a critical component of a high-visibility initiative the Postal Service has undertaken to modernize its fleet operations, reduce costs, increase efficiency, and improve services. The purpose of the Solicitation was to acquire Telematics for the Postal Service's fleet of over 230,000 owned and leased vehicles, which currently includes over 140,000 Long Life Vehicles ("LLVs") originally deployed in the 1980's, as well as thousands of newer vans, automobiles, trailers, trucks, and administrative and maintenance vehicles. To help manage our diverse fleet, we sought a Telematics solution that could, among other things, help us increase fuel savings, facilitate pro-active maintenance, and provide drivers with real-time safety warnings.

I. The Solicitation

On August 1, 2022, the Postal Service issued the Request for Proposals ("RFP") for Telematics with a due date of August 22, 2022. Amendment 1 to the RFP extended that due date to August 29, 2022. The Solicitation contemplated one or more awards to the offeror(s) that provided the best value to the Postal Service, considering both technical factors and price. The RFP provided that any resulting award would be made on the following basis:

In accordance with USPS Supply Management, Supplying Principles & Practices (SPs & Ps), the contract award decision will be based on "Best Value." Award will be made to the capable Offeror who submits the best combination of Technical and Price Proposals. The foregoing will then be assessed relative to a tradeoff between technical merit and price to determine best value.

¹ As you acknowledged in the February 20, 2024 letter submitted on behalf of Samsara, "We understand the SDRO plans to resolve the disagreements together."

In this solicitation, technical factors are considered more important than price. Although price will be considered in the award decision, the award may not necessarily be made to the supplier submitting the lowest price. The USPS will not make an award for a significantly higher priced proposal unless its technical rating indicates a relatively proportionate higher technical performance. As the ratings for the technical factors among Offerors become more equivalent, then cost or price will become an increasingly significant factor in the best value decision.

The RFP's technical factors were as follows:

- Factor 1 – Telematics Solution
 - Sub-Factor 1.1– Device Capability and Components
 - Sub-Factor 1.2 – Telematics Cloud Software
- Factor 2 – Supplier Capability
 - Sub-Factor 2.1– Telematics Hardware Manufacture, Quality and Support
 - Sub-Factor 2.2 –Telematics Cloud Software Maintenance, Technical Support, and Development Support
 - Sub-Factor 2.3 – Supplier Responsibilities
- Factor 3 – Past Performance

RFP, Attachment 2 – Proposal Evaluation, p. 2. The evaluation factors were generally listed in descending order of importance.

The Solicitation stated, “The supplier proposals will be evaluated on the demonstrated effectiveness of their proposed technical solution and their ability to meet the Statement of Work and other requirements for advanced telematics devices.” Section 3.3.1 of the Statement of Work (“SOW”) required that “one Telematics device for each USPS vehicle type and trailer as first articles for examination and testing” be delivered to USPS no later than the First Article Inspection (“FAI”) 3 date, estimated at 180 days after contract award. This would include a device capable of meeting the Postal Service’s On-Board Diagnostics I (“OBDI”) requirements. In a Questions & Answers document disseminated as part of Amendment 1 to the Solicitation, the Postal Service stated that “we would expect that suppliers are able to demonstrate their OBDI capabilities within the 180-day timeframe between contract award and FAI 3.” The Postal Service’s expectations regarding OBDI capability were clearly identified in Section 3.1.3 of the SOW, which required supplier proposals to provide pictures and diagrams detailing the OBDI form factor cable.

II. The Telematics Award and Samsara’s Disagreements and Bid Protest

On November 17, 2022, the Postal Service awarded a single indefinite delivery/indefinite quantity (IDIQ) contract to Geotab USA, Inc. (“Geotab”). On December 12, 2022, Samsara lodged an initial disagreement with the contracting officer, which was denied on December 22, 2022. On December 30, 2022, Samsara lodged an appeal of this denial to the SDRO. After a thorough review, the undersigned SDRO likewise denied Samsara’s business disagreement in its entirety.

On March 13, 2023, Samsara filed a bid protest in the U.S. Court of Federal Claims, *Samsara, Inc. v. United States*, Case No. 23-361, in which it initially sought a preliminary injunction. On May 26, 2023, the Court denied the preliminary injunction, finding, *inter alia*, that Samsara had

not demonstrated that it was likely to succeed on the merits. As a result, the Postal Service proceeded with contract performance.

On January 4, 2024, the Court entered an Opinion and Order citing a single error in the Postal Service's technical evaluation relating to its assessment of Samsara's OBDI capabilities. According to the Court, the Postal Service "applied unstated evaluation criteria when it assigned a weakness to Samsara's proposal for failing to have an existing OBDI cable under Factor 1 and when it considered Samsara's lack of an existing OBDI cable as part of its risk assessment." The Court determined that this error "resulted in a flawed best value determination." The Court ordered USPS to "reevaluate Samsara's proposal in a manner that redresses the errors identified in this Opinion, to conduct a new best value trade-off determination, and, as necessary, to make a new award decision." *Samsara*, 2024 WL 228081 at *16.

On January 12, 2024, Samsara lodged an initial disagreement with the contracting officer, preemptively challenging the Postal Service's reevaluation of proposals pursuant to the Court's Order.

The Postal Service reevaluated Samsara's proposal pursuant to the Court's January 4, 2024 Order, as discussed in detail below. Once this reevaluation was completed, the contracting officer made a new best value determination, based on new technical evaluations, that a single award to Geotab continued to provide the best value to the Postal Service. Accordingly, on January 18, 2024, the Postal Service reaffirmed the original Geotab award. Samsara was notified of this decision on January 19, 2024.

On January 22, 2024, the contracting officer issued a decision denying Samsara's January 12, 2024, initial disagreement. On January 29, 2024, Samsara lodged an SDRO Disagreement challenging the contracting officer's January 22, 2024 decision. That same day, Samsara lodged a new initial disagreement with the contracting officer, challenging the Postal Service's decision to reaffirm the Geotab award. On February 8, 2024, the contracting officer issued a decision denying the January 29, 2024, initial disagreement. On February 20, 2024, Samsara lodged an SDRO Disagreement challenging the contracting officer's February 8, 2024 decision. This decision addressed the issues raised in both the January 12 and January 29 disagreements.

III. Reevaluation of Samsara's Proposal

In its January 4, 2024 Order, the Court found that the Postal Service erroneously identified one specific weakness related to OBDI in Samsara's technical proposal. The Court otherwise found that the Postal Service properly evaluated Samsara and Geotab's technical proposals in accordance with the Solicitation. The Court also rejected Samsara's arguments that the Postal Service did not properly evaluate its or Geotab's price proposals. Therefore, the contracting officer prepared a Reevaluation Recommendation Memorandum (the "Award Reevaluation") to "conduct the limited reevaluation ordered by the Court of Samsara's technical proposal, make a revised best value trade-off determination, and, if necessary, issue a new award based on these findings." Award Reevaluation at 2.

At the direction of the contracting officer, the original seven-person technical evaluation team ("TET") that reviewed all Telematics proposals in 2022 was reconstituted to reevaluate Samsara's technical proposal with respect to the OBDI cable, and to determine whether Samsara's proposal warranted a higher technical and risk score based on that reevaluation. The

stated purpose of this reevaluation was to “consider Samsara’s proposed approach to addressing the Postal Service’s OBDI requirements without application of any unstated evaluation criteria, and accordingly adjust Samsara’s technical scoring if appropriate.” *Id.* at 3. The TET conducted its reevaluation on January 10 and 12, 2024. *Id.* As part of this process, the TET rereviewed the sections of the Solicitation and Samsara’s proposal that addressed OBDI, as well as Samsara’s recorded technical proposal demonstration of September 15, 2022. *Id.* Pursuant to this new analysis, each member of the TET prepared an updated individual evaluation of Samsara’s technical proposal. The TET subsequently prepared an amended consensus technical report and score summary based on the members’ individual reevaluations.

On January 12, 2024, the contracting officer received the TET’s amended consensus technical report and evaluation score summary. In reevaluating the factors of Samsara’s technical proposal, the TET provided a new analysis under Factor 1, Telematics Solution, and Factor 2, Supplier Capability. *Id.* at 5-7. This new evaluation, as it related to OBDI, is summarized in the TET’s comments addressing the matters the Court found insufficiently addressed in the initial decision. In the new evaluation, the TET’s rationale for continuing to assess a “Moderate Risk” rating to Samsara was explained as follows:

...Samsara does not provide sufficient information on their capability and plan to develop an OBDI solution in time for [First Article Testing]. Samsara commits to having a cable for OBDI ready but does not provide “pictures/diagrams detailing the OBDI form factor connector that correlates to a 1987 Chevrolet S-10” ([SOW Section] 3.1.3 requirement), nor “Past example or R&D plan” (3.1.21 requirement) for how [the] device would be built nor designed. Additionally, Samsara does not provide details on their recommended custom fuel level solution (3.1.15) and how (if at all) it would integrate with the OBDI cable. For all of these reasons, there is risk that Samsara would not be able to develop a viable OBDI solution, within the required timeframe, despite their stated commitment and confidence in doing so.

Id. at 8.

As noted by the contracting officer, the TET’s consensus evaluations reflect “the evaluators’ collective understanding that an existing OBDI cable at time of award is not required, but that Samsara did not effectively demonstrate a proposed approach to have OBDI cable capability within the 180-day period after award as required by the [S]olicitation.” *Id.* Such failure “was considered a significant risk factor which contributed to assessing Samsara’s proposed approach as offering Moderate Risk to the Postal Service.” *Id.*

Therefore, while the TET’s reevaluation of Samsara’s technical proposal considered Samsara’s OBDI proposed solution afresh, as evidenced by its amended comments, Samsara’s score was unchanged from the original technical evaluation; it remained significantly lower than Geotab’s. The Postal Service did not reevaluate any of the offerors’ price proposals, as the Court had upheld the Postal Service’s original price evaluations. Accordingly, when the contracting officer made his revised best value trade-off determination—taking into account the TET’s reevaluation of Samsara’s technical proposal—the outcome was the same: “Samsara does not offer the optimal balance of technical and price features for the Postal Service to render it an award as a result of this [S]olicitation.” *Id.* at 9. The contracting officer therefore reaffirmed the contract award to Geotab, as their technically superior, price-competitive offer continued to provide best value. *Id.* at 10. The award reaffirmation was reviewed and approved by the Vice President,

Supply Management, in accordance with Section 2-41.3.2 of the Supplying Principles & Practices (SPs and Ps).²

The SDRO Disagreements

In your January 29, 2024 and February 20, 2024 letters, separate from the bases for disagreement, you allege that Samsara was not required to exhaust its administrative remedies as described in 39 C.F.R. §§ 601.107-108 before commencing its ongoing bid protest.

You then allege the following bases for Samsara's Disagreements to the SDRO:

1. The USPS award affirmation is impermissible *post hoc* rationalization, violating principles of administrative law as articulated by the Supreme Court in *Regents*.³
2. The Postal Service's requirements for the Solicitation have changed.
 - a. The Solicitation's stated quantities, deadlines, and performance periods no longer reflect USPS's requirements.
 - b. The Solicitation's FMIS requirement has materially changed.
 - c. USPS's shift towards COTS EVs is a change to requirements.
3. USPS has acted irrationally and violated its own rules in proceeding to make a new best value and award decision without first amending the Solicitation and inviting revised proposals.
4. It is irrational and unlawful for USPS to:
 - a. affirm a contract award that the Court of Federal Claims has already found to be flawed due to prejudicial evaluation errors, and
 - b. resume performance of a contract that the Court of Federal Claims has permanently enjoined the USPS from performing.

I will address each basis for your disagreements below.

Discussion

I. The Court Has Addressed Samsara's Exhaustion Argument.

Samsara first argues that it is not required to submit these SDRO Disagreements pursuant to 39 C.F.R. § 601.108. Samsara asserts that "The regulations are silent, and therefore do not require exhaustion, where the agency's final contract award fails to survive judicial review and, in response, the USPS reaffirms the same contract that the SDRO already made final." This issue was never presented to the contracting officer, nor is it included under the "Disagreement" section of either SDRO Disagreement. Nonetheless, Samsara requests that the SDRO "issue a decision confirming that no further exhaustion is required here."

In its February 22, 2024 Opinion and Order, the Court determined that Samsara is not required to exhaust the Postal Service's internal procedures. See *Samsara*, 2024 WL 1069747, at *2. Accordingly, I decline to address the propriety of administrative exhaustion as it relates to Samsara's SDRO Disagreements, as this issue has been comprehensively addressed by the Court.

² Geotab's contract was valued at a maximum \$314,178,851. Section 2-41.3.2 of the SPs and Ps provides that the Vice President, Supply Management must approve "[c]ontract awards...valued at \$20 million or more."

³ *Department of Homeland Security v. Regents of the Univ. of California*, 140 S. Ct. 1891 (2020).

II. The Postal Service Properly Reaffirmed the Geotab Award.

A. Agency Decision-Making and the Requirements of *Regents* Generally

In *Regents*, the Supreme Court reiterated the well-established principle that, when the existing record of agency decision making is insufficient, the agency may “do one of two things” on remand: (1) “the agency can offer a fuller explanation of the agency’s reasoning at the time of the agency action;” or (2) “the agency can deal with the problem afresh by taking new agency action.” 140 S. Ct. 1891, 1907-08 (2020) (internal citations omitted). An agency taking the first route “may elaborate later on that reason (or reasons) [for the original decision] but may not provide new ones,” whereas an agency taking the second route “is not limited to its prior reasons but must comply with the procedural requirements for new agency action.” *Id.* at 1908-09.

The Supreme Court further clarified this standard in *Texas v. Biden*, 142 S. Ct. 2528 (2022). In *Texas*, the Supreme Court stated that “[t]he prohibition on post hoc rationalization applies only when the agency proceeds by the first option from *Regents*.” *Id.* at 2546. The Supreme Court further elaborated that the “second option can be more procedurally onerous than the first – the agency must comply with the procedural requirements for new agency action – but the benefit is that the agency is not limited to its prior reasons in justifying its decision.” *Id.*

B. The Postal Service Took Corrective Action to Make a New Decision.

Samsara asserts that the Award Reevaluation was an impermissible *post hoc* rationalization and does not constitute new agency action. In order to evaluate whether the Postal Service did take corrective action to make a new decision, the SDRO conducted a detailed review of the award reevaluation process. I reviewed all of the relevant documentation, including the Postal Service’s purchase plan, the original award recommendation, the RFP, the updated individual TET evaluation forms, the TET’s amended consensus technical report, and the Award Reevaluation.

Upon review, I find that Samsara’s assertion is incorrect. The Postal Service took corrective action to make a new decision in accordance with the second option in *Regents*, and therefore the *post hoc* rationalization rule does not apply. The Postal Service “dealt with the problem afresh by taking new agency action.” *Id.* at 2546; see generally Award Reevaluation; *Syneren Tech. Corp. v. United States*, 168 Fed. Cl. 756, 773 (2023) (affirming the agency’s corrective action and noting that “it is black-letter law that an agency that takes superseding action on remand is entitled to reexamine the problem, recast its rationale, and reach the same result”).

As described above, the contracting officer reconvened the TET over a two-day period, during which the TET rereviewed the sections of the Solicitation and Samsara’s proposal that addressed the OBDI solution. Award Reevaluation at 3. As part of this new analysis, the TET provided numerous revised comments regarding Samsara’s capability and plan to develop an OBDI solution in time for First Article Testing, as required by the Solicitation. As noted in the TET’s amended report, “given the lack of past examples, R&D plan, or pictures/diagrams for OBDI, risk exists that Samsara will not successfully meet the [First Article Testing] timeline.” *Id.* at 7. Based on this reevaluation, the TET continued to assess Samsara a “Moderate” risk rating. *Id.* at 8.

The contracting officer then conducted a revised best value trade-off determination, in which he determined that Geotab’s offer continued to provide the best value to the Postal Service. *Id.* at

9-10. As noted in the Court's January 4, 2024 decision, "whether Samsara's proposal warrants a higher technical score and whether the resulting score from the reevaluation of Samsara's proposal impacts the best value trade-off are determinations properly left to the USPS." Lastly, the contracting officer prepared the Award Reevaluation, which was approved by the Vice President, Supply Management, consistent with SPs and Ps Section 2-41.3.2.

The decision of the Postal Service to reaffirm the contract award to Geotab was a new agency action which resulted from the reevaluation process described above. I find that the reevaluation was procedurally sound and comprehensively addressed the single error identified by the Court regarding the Postal Service's original evaluation of Samsara's proposal. Samsara has not identified a single defect in the Award Reevaluation itself, and Samsara's assertion that the Postal Service engaged in impermissible *post hoc* rationalization is unfounded. Therefore, Samsara's disagreement on this point is denied.

III. The Postal Service Is Not Required to Amend the Solicitation and Seek New Proposals, As the Solicitation Requirements Have Not Changed.

Samsara next asserts that the Postal Service's requirements for the Telematics Solicitation have changed, and that the Postal Service must therefore amend the Solicitation and seek new proposals. This assertion is incorrect. On its face, the Court's January 4, 2024 Opinion and Order clearly did not direct the Postal Service to amend its Solicitation or to obtain new proposals based on post-award contract performance, and the Postal Service did not find it necessary to do so in order to undertake corrective action to address the findings of the Court with respect to the initial award decision. Rather, the Court ordered the Postal Service to "reevaluate Samsara's proposal in a manner that redresses the errors identified in this Opinion, to conduct a new best value trade-off determination, and, as necessary, to make a new award decision." Nonetheless, Samsara makes several arguments challenging the Postal Service's chosen course of reasonable corrective action.

A. Post-Award Changes to Quantities, Deadlines, and Performance Periods Are Matters of Contract Administration, Not Changes to Solicitation Requirements.

First, Samsara mistakenly asserts that changes in quantities, deadlines, and performance periods which may have arisen as a result of the performance of the Geotab contract are changes in Solicitation requirements. Whether or not such developments have occurred, this is a mischaracterization. Such matters are addressed in the course of modification and/or change order activity during the post-award contract administration period. They have no bearing on the Solicitation or Samsara's original proposal, which was the subject of the corrective action undertaken by the Postal Service and ordered by the Court.

B. Developments Regarding Selection of the FMIS Vendor and Use of COTS EVs Are Likewise Matters of Contract Administration.

Samsara also asserts that the Postal Service's selection of an FMIS supplier and alleged developments pertaining to the Postal Service's planned use of COTS EVs are changes in Solicitation requirements. As an initial matter, these arguments were not presented to or otherwise addressed by the contracting officer, as required by the Postal Service's business disagreement regulations. See 39 C.F.R. §§ 601.107(b) and 601.108(c). Notwithstanding this fact, I will address Samsara's arguments, without waiving the Postal Service's position that

Samsara was required to first submit its disagreement on these points to the contracting officer.

As noted above, Samsara mischaracterizes these issues as changed solicitation requirements, when they are fundamentally matters of contract administration. Contract administration matters can only be brought by the contract awardee, pursuant to the Contract Disputes Act. In sum, I find that the requirements of the Solicitation have not changed; Samsara's arguments to the contrary constitute a mere disagreement with the Postal Service's chosen course of reasonable corrective action.

C. The Postal Service Is Not Required to Retroactively Amend RFPs Based on Post-Award Contract Activity.

Samsara further asserts that it must be granted the opportunity to provide a new proposal pursuant to SPs and Ps Section 2-24.1, which provides that "RFPs must be amended when changes to the quantity, specifications, delivery schedule, date of receipt of proposals, or clarifications or corrections to solicitation ambiguities or defects must be made." However, Samsara has failed to identify any such circumstances which would require the Postal Service to amend the Solicitation. As shown above, all the alleged matters which Samsara describes as changes in Solicitation requirements are, in fact, matters of post-award contract administration, and would have occurred in the course of modification and/or change order activity. Such activity would not have impacted the original award decision. Furthermore, Section 2-24.1 of the SPs and Ps does not apply to corrective actions, which the Postal Service resolves in accordance with 39 C.F.R. §§ 601.107-108.

Notwithstanding the foregoing, the SPs and Ps are guidelines that "are intended for internal use only to assist the Postal Service in obtaining best value and efficiently conducting its supply chain functions. These [SPs and Ps] are advisory and illustrative of approaches that may generally be used by [the Postal Service], but are intended to provide for flexibility and discretion in their application to specific business situations. Consistent with that intent, these [SPs and Ps] create no rights, substantive or procedural, enforceable against the Postal Service." (Introduction to the Postal Service SPs and Ps, p.1.) Even if Section 2-24.1 were applicable to the instant situation, which it was not, I agree with the contracting officer's determination that amendments are not in the Postal Service's best interest and unnecessary here to fully comply with the Court's Order. Therefore, Samsara's disagreement on this point is denied.

IV. The Court's Order Did Not Preclude the Postal Service from Reaffirming the Prior Award if that Result Was Supported by the Award Reevaluation.

Finally, Samsara suggests that it "is irrational and unlawful for USPS to affirm a contract award that the Court of Federal Claims has already found to be flawed due to prejudicial evaluation errors. It is also irrational and unlawful for USPS to resume performance of a contract that the Court of Federal Claims has permanently enjoined the USPS from performing." Once again, Samsara has misinterpreted the Court's Order. The Order specified that the Postal Service was enjoined "from proceeding with performance of the contract awarded to Geotab pursuant to the solicitation" while USPS was ordered "to reevaluate Samsara's proposal in a manner that redresses the errors identified in [the Court's] Opinion, to conduct a new best value trade-off determination, and, as necessary, to make a new award decision." There is no prescription to permanently halt performance nor to terminate the contract, but only to cure the error identified by the Court.

With the error identified by the Court unequivocally redressed, Samsara's proposal reevaluated, a new best value trade-off determination conducted, and no new award decision deemed to be required, I agree with the contracting officer's determination that the Postal Service has fully complied with the Court's Order. Contract performance can and has now resumed. Samsara's assertions that Geotab's contract is "unlawful" or "defunct" are without merit, and unsupported by the plain language of the Court's Opinion and Order. Had the Court permanently enjoined performance of the Geotab contract, it would have required a new award and contract, rather than, as it did, leaving it to the Postal Service's discretion whether a new award was necessary following the new evaluation of Samsara's OBDI solution. Therefore, Samsara's disagreement on this point is denied.

SDRO Decision

I have reviewed the matter and conclude that Samsara has not raised any proper challenge to the Postal Service's Award Reevaluation or the reaffirmation of the Telematics contract award to Geotab. Accordingly, I find that no relief is due to Samsara for these disagreements. The Postal Service fully complied with the Court's Order, redressing the single error that the Court identified with regard to OBDI. As was made clear by the TET upon reevaluation, Samsara's technical proposal failed to provide sufficient information on their capability and plan to develop an OBDI solution in time for First Article Testing, as was required by the Solicitation. In short, Samsara's loss to Geotab was of its own making. Therefore, it is my decision to deny Samsara's business disagreements. In accordance with 39 C.F.R. § 601.108(g), this is my final and binding resolution of this matter.

Sincerely,

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

cc: Andrew Hopkins, Contracting Officer