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# Decision

**Matter of:** Kizano Corporation

**File:** B-420858.4

**Date:** March 8, 2023

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## DIGEST

Protest that agency improperly excluded protester's proposal from consideration under a tier set-aside exclusively for service-disabled veteran-owned small businesses (SDVOSBs) is denied where the protester's subcontractor was not listed as a verified SDVOSB in the applicable database.

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## DECISION

Kizano Corporation, a service-disabled veteran-owned small business (SDVOSB) of Woodbridge, Virginia, protests its exclusion from consideration for award as a tier 1 offeror, under request for proposals (RFP) No. 36C10X21R0022, issued by the Department of Veterans Affairs (VA) for general management and business support services. The protester argues that the VA misclassified Kizano's status as a tier 3 offeror, instead of a tier 1 offeror.

We deny the protest.

## BACKGROUND

The agency issued the solicitation on February 8, 2021, for a broad range of general management and business support services and solutions as part of the agency's Veteran Enterprise Contracting for Transformation and Operational Readiness (VECTOR) procurement. Contracting Officer's Statement (COS) at 2; see Agency Report (AR), Tab 1, RFP at 6. Through the VECTOR procurement, the agency sought

to award multiple-award indefinite-delivery, indefinite-quantity contracts under six service groups. RFP at 6.

Under service group 1, at issue in this protest, the VA sought proposals related to “program and project management, strategic planning, performance measurement, quality measurement, business process reengineering, business process improvement, . . . business process management, and change management and transition” services. *Id.* at 9. The solicitation contemplated the award of contracts on a best-value tradeoff basis, considering technical capability and price. *Id.* at 7.

Relevant here, the RFP provided for a set-aside award based on a tiered evaluation method, as follows:

Tier 1--SDVOSBs that team/subcontract exclusively with SDVOSBs and VOSBs [veteran-owned small businesses]

Tier 2-- SDVOSBs that team/subcontract with [s]mall [b]usinesses ([o]ther than SDVOSBs and VOSBs), [j]oint [v]entures that include [s]mall [b]usinesses

Tier 3-- SDVOSBs that team/subcontract with [l]arge [b]usinesses, [j]oint [v]entures that include [l]arge [b]usinesses.

*Id.* at 53. The solicitation instructed that “[t]ier 1 proposals will be evaluated first.” *Id.* The RFP continued that if “[a]fter the review of [t]ier 1 proposals, . . . a number of awards can be made that will support adequate competition in a service group, no additional tiers will be reviewed.” *Id.*

The solicitation advised that the VA would conduct an initial assessment of compliance with the solicitation instructions before commencing its technical and price review. *Id.* Offerors were informed that “[a]ny proposals that do not meet the [initial compliance] criteria will be eliminated from consideration.” *Id.* The RFP required, among other things, that:

[a]ll SDVOSB and VOSB subcontractors . . . be VetBiz<sup>[1]</sup> Verified and certified in SAM [System for Award Management] under NAICS [North

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<sup>1</sup> Prior to January 9, 2023, VetBiz was a web portal maintained by the VA that hosted the database of businesses approved to participate in the VA’s VOSB program. *MCI Diagnostic Ctr., LLC*, B-417901.3, Mar. 25, 2020, 2020 CPD ¶ 112 at 4 n.2. Recently, VetBiz has been replaced by the Veteran Small Business Certification (VetCert) portal, see <https://veterans.certify.sba.gov> (last visited on Feb. 27, 2023).

American Industry Classification System] code<sup>[2]</sup> 541611 in order to qualify for Tier 1. . . . Verification in VetBiz alone does not meet the requirements for size standard authentication. Offerors and subcontractors must also be certified in SAM.gov following SBA [Small Business Administration] guidelines for certification as a small business.

*Id.* The requirement to “be verified in VetBiz” applied to all offerors, “at the time of proposal submission.” *Id.* In addition, to qualify for consideration under tier 1, an offeror had to be certified in the SAM database, and “meet the size standard for NAICS 541611” both at the time of proposal submission and at the time of award. RFP at 53; *id.* attach. H, Questions and Answers (Q&A) No. 4.

By the solicitation closing date of March 1, 2021, the agency received 141 proposals for service group 1, including a proposal from Kizano. COS at 3. Kizano’s proposal identified as its proposed subcontractor Alaris Advisors, LLC, located at 6204 Farnam Cluster in Centreville, Virginia. AR, Tab 5, Kizano’s Proposal at 2. The agency could not verify that Alaris Advisors was an SDVOSB, and therefore it concluded that Kizano’s proposal should be considered under tier 3. COS at 6; AR, Tab 8, Unsuccessful Offeror Letter at 2. Ultimately, the VA found there was sufficient competition among the tier 1 proposals, and as such, the agency did not consider proposals that qualified under tiers 2 and 3. COS at 6; *see also* RFP at 53.

On November 21, 2022, the agency notified Kizano that its proposal, classified under tier 3, was not considered for award. Thereafter, Kizano filed a protest with our Office.

## DISCUSSION

Kizano argues that the VA misclassified its proposal, unreasonably failing to consider it under tier 1. The protester challenges the agency’s determination that Kizano’s proposed subcontractor was not an SDVOSB, stating that both Kizano and Alaris Advisors, LLC, were verified SDVOSBs at the time the protester submitted its proposal. Protest at 6-7; Comments at 4.

The agency responds that it properly classified Kizano as a tier 3 offeror because Kizano’s subcontractor was not listed as a verified SDVOSB in the VetBiz database, nor was it registered as small in SAM under the applicable NAICS code. Memorandum of Law (MOL) at 3. Indeed, the contracting officer represents that he checked these two databases and “Alaris Advisors, LLC was not found in either VetBiz or SAM.gov as an active or inactive record.” COS at 6. The contracting officer further explains that he also searched under the Data Universal Numbering System (DUNS) number listed in Kizano’s proposal but the search similarly yielded no results because the DUNS number

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<sup>2</sup> The NAICS code system is used by the federal government to identify and classify specific categories of business activity that represent the lines of business a firm conducts. *See* Federal Acquisition Regulation 19.102; *Triad Isotopes, Inc.*, B-411360, July 16, 2015, 2015 CPD ¶ 220 at 6 n.6.

provided by Kizano was incorrect; the contracting officer notes that it included one additional digit. *Id.*

Kizano disputes the agency's position, stating that the VA failed to produce any specific document showing that the alleged database searches provided no results. In support of its allegations, Kizano submits a letter, issued by the VA's Center for Verification and Evaluation (CVE) to Alaris **Advisers**, LLC, rather than Alaris **Advisors** as provided in its proposal, on July 9, 2019, stating that Alaris is a verified SDVOSB. Resp. to Req. for Dismissal, exh. 1, Verification Letter at 1 (emphasis added). According to the letter, that verification was valid for three years. *Id.* Kizano argues that Alaris was listed in the VetBiz database as an SDVOSB at the time Kizano submitted its proposal on February 26, 2021, and that the RFP did not require offerors' to be verified SDVOSBs at the time of award. Comments at 4-5.

Based on the record here, we find that the agency acted reasonably in not considering Kizano's proposal under tier 1. While Kizano argues that the RFP only required offerors and subcontractors to be verified SDVOSBs at the time of proposal submission, and speculates that the VA must have searched the applicable databases long after that time, Kizano fails to mention that the CVE verification letter, discussed above, was issued to a different entity than the one listed in Kizano's proposal.<sup>3</sup> The protester never addresses this issue, nor does it explain why its proposal included an incorrect DUNS number and a different name for its subcontractor than the one listed in the CVE letter.<sup>4</sup> Importantly, despite the VA noting this discrepancy in the agency report, the protester ignores this matter. See MOL at 4; Comments, *generally*.

Offerors bear the responsibility for submitting well-written proposals, with adequately detailed information which clearly demonstrates compliance with the solicitation and allows a meaningful review by the procuring agency. *URS Group, Inc.*, B-402820, July 30, 2010, 2010 CPD ¶ 175 at 3-4. In addition, the solicitation here provided that "[o]fferors are responsible for including sufficient details, in a concise manner, to permit a complete and accurate evaluation of each proposal," and that "proposals will be evaluated strictly in accordance with their written content." RFP at 46, 53. Based on the proposal submitted by Kizano, we find unobjectionable the VA's conclusion that Kizano's subcontractor was not a VetBiz-verified SDVOSB, and, therefore, that Kizano was ineligible to be considered as a tier 1 offeror.

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<sup>3</sup> We note, at any rate, that the solicitation established that to be considered for award as a tier 1 offeror, a firm had to be certified as small in the SAM database, both at the time of proposal submission and at the time of award. RFP at 53; *id.* attach. H, Q&A, No. 4. The protester concedes that its proposed subcontractor "ceased doing business and ceased maintaining [its] SAM entry" by March 2022. Comments at 5.

<sup>4</sup> The CVE letter was not included in Kizano's proposal workbook, and instead was first provided to our Office as an attachment to Kizano's response to the agency's request to dismiss the protest.

Specifically, nothing in Kizano's proposal reasonably indicated that Alaris Advisors, listed in the proposal as Kizano's subcontractor, was actually a verified SDVOSB named Alaris Advisers. Accordingly, the agency reasonably found that Kizano's proposal failed to comply with the RFP's tier 1 requirement that offerors, and their proposed subcontractors, be VetBiz-verified SDVOSBs.

The protest is denied.

Edda Emmanuelli Perez  
General Counsel