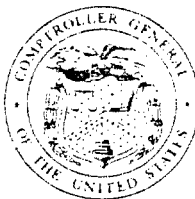


# DECISION



THE COMPTROLLER GENERAL  
OF THE UNITED STATES  
WASHINGTON, D.C. 20548

15872

FILE: B-199557

DATE: January 13, 1981

MATTER OF: Ridgeway Electronics, Inc.

*[Protest of Proposal Rejection as Unacceptable]*

DIGEST:

1. Protest that rejection of technical proposal as unacceptable under first step of two-step procurement was improper is denied as review of record shows that sum of deficiencies precluded intelligent evaluation.
2. Procurement regulations and past decisions of GAO require only that evaluation factors be disclosed in solicitation, not method of evaluation (proposals reviewed by sections by different personnel).
3. Change of certain items of hardware from contractor to Government-furnished equipment in second step of two-step procurement, while having price and risk impact, does not require new first-step technical proposals.

Ridgeway Electronics, Inc. (Ridgeway), has *[*protested the rejection of its technical proposal as unacceptable under request for technical proposals (RFTP) No. N61339-80-R-0048 issued by the Naval Training Equipment Center, Orlando, Florida.

The RFTP is the first step of a two-step procurement for the acquisition of an Aviation Antisubmarine Warfare Basic Operator Trainer. *[*All proposals received were evaluated by the Navy to determine their technical acceptability and on June 10, 1980, Ridgeway was advised that its proposal was found technically unacceptable.*]*

~~014207~~

114133

The June 10, 1980, letter from the contracting officer [stated that Ridgeway's proposal so failed to conform to the essential requirements of the RFTP that the deficiencies could not be cured without basically changing the proposal and] in accordance with section 2-503.1 of the Defense Acquisition Regulation (DAR) (1976 ed.), [no revisions to the proposal would be considered.] The letter then detailed the areas of Ridgeway's proposal which were found unacceptable. These included five of six areas designated as critical areas in RFTP. [The RFTP warned that unacceptability in any of the critical areas] (i.e., Performance Characteristics, Trainer Operation, Computer System Design, etc.) [may result in the proposal being found unacceptable even if the proposal were otherwise acceptable.]

After receipt of the June 10, 1980, letter, there followed an exchange of correspondence between Ridgeway and the contracting officer in which [Ridgeway requested more information regarding the evaluation of its proposal and the opportunity to submit additional information. The contracting officer informed Ridgeway that no further information could be furnished to Ridgeway at that time because of the ongoing procurement but that the Navy would discuss Ridgeway's proposal at a debriefing following an award. Also, since Ridgeway's proposal was found unacceptable, no revisions or further information would be considered.]

Ridgeway's protest is grounded on [the major allegation that the difficulties the Navy had with its proposal were minor and could have been resolved with a telephone conversation and the information the Navy claims was lacking was located in other portions of the proposal.] Furthermore, [since Ridgeway had "prequalified" for the procurement, the Navy should have realized Ridgeway could have cleared up the problems easily and Ridgeway furnished all of the detail required by the RFTP. Moreover, the proposal did not require a major revision or rewrite.]

While the record in this protest is voluminous, with detailed comments relating to various technical aspects of Ridgeway's proposal, we do not find it is necessary to discuss all of this technical data to resolve the protest.

Initially, it should be noted that it is not the function of our Office to reevaluate technical proposals. Audio Technical Services, Ltd., B-192155, April 2, 1979, 79-1 CPD 223. [We will examine the record to determine whether the judgment of the contracting agency was clearly without a reasonable basis.] Wismer and Becker Contracting Engineers and Synthetic Fuel Corporation of America, A Joint Venture, B-191756, March 6, 1979, 79-1 CPD 148.

In deciding whether Ridgeway's proposal was properly determined unacceptable, we must look to the degree of specificity required in proposals by the RFTP. Ridgeway points out that the RFTP only requested proposals for a "preliminary design disclosure" for the trainers. However, that phrase is utilized in the introductory sentence of the Technical Proposal Requirements, which continues as follows:

"c. The Government requires a complete design disclosure of proposed product(s) keyed to applicable specification paragraphs. The offeror shall disclose his selected design describing the manner in which the system or equipment inputs, outputs, interfaces, and functions are to be implemented. The proposal shall be supported by engineering analysis, experimental results, and the like which led to selection of the proposed system. Design disclosure shall be to the level of detail sufficient to describe the system and subsystem design and performance. Block diagrams and associated text shall be provided where appropriate."

The RFTP then described the format for the proposals which was to be in two volumes, the Technical Design and the Integrated Logistic Support, and listed the 22 sections the volume on technical design was to include, the relative importance of each and the specification paragraphs each was to cover. The

logistic support volume was to contain nine sections and the same information was given regarding relative importance and specification paragraphs.

We find this section of the RFTP sufficient to have alerted offerors to the fact that detailed design disclosure was required, not merely a preliminary design.

Ridgeway argues that if the Navy required such a degree of specificity it should have cited [Military Standardization Handbook] "Design Disclosure For Systems and Equipment" (MIL-HDBK-226 (17 June 1968)) so that offerors would have been on notice of exactly what was required. The Handbook sets forth a methodology for preparing design disclosures. [We believe it was unnecessary to reference this Handbook as we find the RFTP set forth the requirements sufficiently. We note that other offerors had no difficulty in supplying the required detail.]

Ridgeway further argues that since it was "pre-qualified" for this procurement, the Navy should have been aware of the firm's capabilities and requested the necessary information. [Ridgeway's reference to prequalification relates to the Navy's presolicitation request of prospective offerors to submit examples of recent experience in producing equipment equivalent to the trainer being procured.] Ridgeway responded with a page and a half letter citing four contracts it currently held and was issued an RFTP.

We do not see how [this request for basic information regarding an offeror alters the requirement that a technical evaluation is made on the basis of the information submitted with a proposal.] Comten-Comress, B-183379, June 30, 1975, 75-1 CPD 400. [No matter how capable an offeror may be, it must reflect this capability in its proposal and not rely on past performance or industry knowledge.] Servrite International, Ltd., B-187197, October 8, 1976, 76-2 CPD 325.

Ridgeway also contends that its proposal should not have been found unacceptable because to correct

the deficiencies found by the technical evaluators would not require a new proposal or a major rewrite of the proposal. Ridgeway contends that the proposal it submitted offered the proper computer, recorder and software and, therefore, nothing major in the proposal would have to have been changed. Since DAR § 2-503.1(e) states that a proposal should be classified susceptible of being made acceptable if information can be obtained which would not "basically change the proposal as submitted," Ridgeway argues the Navy erred in classifying the proposal unacceptable.

[ Even though individual omissions in a proposal may be susceptible to correction, where the sum total of the omissions and discrepancies prevents an evaluation, we have held that the proposal is properly determined unacceptable.] Informatics, Inc., B-194926, July 2, 1980, 80-2 CPD 8. [ Here the record shows that while the hardware and software offered by Ridgeway may not have changed in a revised proposal, the number of deficiencies that had to be cured precluded the Navy from making an intelligent evaluation of the proposal.]

Ridgeway has also raised an objection to the evaluation method employed by the Navy. Various portions of each offeror's proposal were given to different technical evaluators for consideration in their area of expertise. (Ridgeway argues that since no one individual saw the entire proposal, information in another section which could have answered certain questions was never seen by the cognizant evaluator. Ridgeway argues that since it was not told that this was the manner in which the evaluation would be conducted, the Navy did not comply with the procurement regulations and past decisions of our Office which require that an agency disclose the evaluation factors to be used.)

[ The decision of our Office cited by Ridgeway, 48 Comp. Gen. 464 (1969) and DAR § 2-503.1, require that a procuring agency disclose the evaluation factors to be used and their relative weights, not the evaluation method.] Here, the Navy disclosed the relative importance of each section of the

proposal and met the requirement of our decision and the regulation. Also, the RFTP listed what was to be in each section of the proposal and Ridgeway either placed the information in the wrong section or omitted it. We find the RFTP adequately advised offerors of the manner in which proposals were to be prepared and the manner in which the proposals were actually evaluated would have had no impact on a properly prepared proposal.]

While it is clear that there is strong disagreement between Ridgeway and the Navy as to the validity of the technical deficiencies raised by the technical evaluation team, [it is not the function of our Office to resolve technical disputes of this nature.] See 52 Comp. Gen. 382, 385 (1972). [The overall determination of the relative desirability and technical adequacy of proposals is primarily a function of the contracting officer who enjoys a reasonable degree of discretion in the evaluation of proposals and in the determination of which offer or proposal is to be accepted for award as in the Government's best interest.] Matter of Kirschner Associates, Inc., B-178887(2), April 10, 1974; B-176077(6), January 26, 1973. Since determinations as to the needs of the Government are the responsibility of the procuring activity concerned, the judgement of such activity's specialists and technicians as to the technical adequacy of proposals submitted in response to the agency's statement of its needs ordinarily will be accepted by our Office. B-175331, May 10, 1972. [Such determinations will be questioned by our Office only upon a clear showing of unreasonableness, an arbitrary abuse of discretion, or a violation of the procurement statutes and regulations.] Matter of Ohio State University; California State University, B-179603, April 4, 1974; B-176077(6), supra. This is particularly the case where the procurement involves equipment of a highly technical or scientific nature and the determination must be based on expert technical opinion. See 46 Comp. Gen. 606 (1967).

Here, although Ridgeway has provided detailed technical arguments in support of its protest, we are unable to conclude on the basis of our examination of

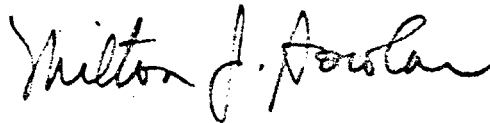
the record that the procuring activity's determination that Ridgeway's technical proposal was unacceptable was arbitrary or unreasonable. The proposal was evaluated in accordance with the specifications and the stated evaluation criteria and was found to be technically unacceptable and not reasonably susceptible of being made acceptable without major revisions on the basis of a comprehensive evaluation. This evaluation occurred during a 3-week period and was conducted by an engineering team of 21 individuals. Ridgeway's proposal was determined unacceptable in 14 out of 30 sections, five critical areas. We see nothing in the record which indicates that this evaluation was improper or unfair or that the contracting agency abused its discretion in finding the Ridgeway proposal unacceptable. While Ridgeway obviously does not agree with the Navy's evaluation of its proposal, there is nothing in the record to indicate that the rejection of the Ridgeway proposal was the result of anything other than the reasonable judgment of the Navy's technical experts. In fact, Ridgeway's arguments pointing out what it contends were errors in the evaluation have been specifically rebutted by the Navy after review of the initial evaluation. [We do not believe it is appropriate for this Office to question the Navy's technical judgment when the judgment has a reasonable basis merely because there may be divergent technical opinions as to the acceptability of a proposal. Thus, we are unable to agree with Ridgeway's claim that its proposal should have been regarded as acceptable or susceptible of being made acceptable with minor changes.] See Matter of Honeywell Inc., B-181170, August 8, 1974, 74-2 CPD 87.

Finally, [Ridgeway argues] that the second-step solicitation has been so changed by the deletion of the recorder from contractor-furnished to a Government-furnished item, [that a new first step is required and that Ridgeway should be permitted to compete.]

While we agree with Ridgeway that the deletion of the recorder impacts on both the price and risk of performance to the contractor, [we believe this impact can be adequately dealt with in the second-step

bidding and does not effect the technical proposals submitted so as to require a new first step, as alleged by Ridgeway. Neither the final product to be supplied, the trainers, nor the technology utilized to produce it, has been changed.

The protest is denied. }

A handwritten signature in cursive script, reading "Milton J. Fowler".

For the Comptroller General  
of the United States