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DECISION



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

FILE: B-200523.3; B-200523.4; DATE: March 5, 1982
B-200523.5

MATTER OF: Southwestern Bell Telephone Company;
Northern Telecom, Inc.

DIGEST:

1. Protest is timely where it is not shown that protester knew or should have known of basis for protest, that awardee's proposal did not comply with certain mandatory RFP requirements, prior to debriefing, when protester contends it first became aware of basis for protest, and protest is filed within ten days thereafter. However, where protester knew of basis for protest allegation that awardee's proposal did not comply with RFP delivery schedule prior to debriefing, protest filed more than ten working days after basis for protest was known is untimely.
2. When doubt exists as to when protester knew or should have known of basis for protest, doubt is resolved in protester's favor.
3. Contention that awardee's proposal does not comply with certain mandatory RFP requirements is without merit where it is based on erroneous assumptions concerning system actually proposed by awardee or misinterpretations of RFP requirements and examination of record shows that awardee offered system which agency reasonably could have concluded met requirements questioned by protester.
4. Under circumstances of case, additional arguments in support of timely raised objection that contract was not awarded on basis of total least cost, including all factors, will be considered. However, Bid Protest Procedures do not contemplate

piecemeal presentation of protest issues and protesters are cautioned to assert and substantiate all grounds of protest as failure to do so may result in portions of protest being found untimely.

5. Agency's failure to include charges for certain off-premise extension lines in evaluation of cost proposals was contrary to RFP provision that all costs necessary to achieve true comparability would be evaluated. However, protester was not prejudiced since awardee's price, as adjusted to account for appropriate charges, remains substantially below protester's price.
6. Failure of agency to take additional conduit costs, system administration and travel expenses, or agency relocation costs into account in evaluating awardee's cost proposal has not been shown to be unreasonable.
7. Cost of Government self-insurance of purchased equipment is too indefinite and speculative to be used as evaluation factor in comparing offers of leases and purchases.
8. To the extent that issues raised by one offeror as interested party to another offeror's protest differ from specific issues raised by latter, they must independently satisfy timeliness requirements of GAO's Bid Protest Procedures.
9. Allegations not filed within ten working days of time basis for protest is known or should have been known are untimely.
10. Where initial protest appears to adequately state some basis of protest, GAO will not necessarily request additional details under section 21.2(d) of Bid Protest Procedures. The protester has the duty to clearly articulate and diligently develop its own protest; GAO will not assume this responsibility.

Southwestern Bell Telephone Company and Northorn Telecom, Inc. (NTI) protest the award of a contract to Centel Communications Company, Inc. by the General Services Administration (GSA) under request for proposals (RFP) No. CDPP-W0004-T-W7. The solicitation was for the furnishing, installation and maintenance of a telephone system for Federal agencies located in Houston, Beaumont and Galveston, Texas. The protesters have raised numerous arguments which they believe invalidate the award. However, our review of the record leads us to the conclusion that all of the protesters' arguments are either untimely filed or without merit.

I. Background

The RFP was issued on July 19, 1979 and provided for award of an indefinite quantity, indefinite delivery type contract on a fixed price with economic price adjustment basis. Award was to be made to the responsive, responsible offeror with the lowest present value cost to the Government over the 108-month evaluated systems life. Contract award was made to Centel on December 3, 1980.

In general terms, GSA sought through this procurement to obtain an automatic, computer controlled telephone system. Such a system consists of individual telephones or "stations" connected by wires (lines) to circuit boards which are in turn controlled by one or more computers and their associated software. The computer, software and circuit boards are called a CBX (computer branch exchange) or sometimes a PABX (private automatic branch exchange). CBXs are in effect sophisticated "switches" which combine the capabilities of a computer to process instructions with the capability of rapidly performing a large number of switching functions.

On December 29, 1980, Southwestern Bell filed a protest (B-200523.3) against the contract award and alleged that: 1) the contract was improperly assigned to Centel (which did not submit a proposal) after its acquisition of the low offeror, Fisk Telephone, Inc.; 2) the contract was not awarded on the basis of lowest total cost, and 3) the award was based on a "solicitation conducted in an arbitrary manner." The first issue subsequently was withdrawn.

NTI filed its protest (B-200523.4) on March 9, 1981, primarily alleging that the Fisk/Centel (hereafter Centel) proposal should have been found technically unacceptable because it did not comply with a number of specified RFP requirements.

On March 24, 1981, Southwestern Bell filed another protest (B-200523.5) which raised new issues and expanded upon its earlier contention that the cost evaluation was defective. The only issue added which has not since been withdrawn is a complaint that GSA's specifications concerning "grade of service" were so deficient as to make performance impossible.

II. Northern Telecom Protest

A. Timeliness

Both GSA and Centel argue that NTI's protest is untimely.

NTI states that it received information pursuant to a Freedom of Information Act (FOIA) request on February 21, 1981, which, coupled with information gleaned from a debriefing held on February 26, 1981, constitutes the basis of its protest. Since its protest was filed within ten working days of the February 26 debriefing, NTI contends that it is timely under section 21.2(b)(2) of our Bid Protest Procedures, 4 C.F.R. § 21.2(b)(2) (1981). Specifically, NTI asserts that during the course of the debriefing, it learned that Centel was proposing a "satellite configuration" for its telephone system. According to the protester, it is this information which provided the basis for its allegations concerning technical deficiencies in Centel's proposal.

In this regard, we note that NTI first argued that it was not until the debriefing that it learned Centel had proposed what it termed a "multiple switch configuration." GSA and Centel replied by producing written evidence that NTI actually knew Centel offered a multiple switch configuration well before the debriefing. NTI then amended its statement and asserted that what it actually learned during the debriefing was that Centel offered a "satellite configuration."

As we understand it, NTI uses the phrase "satellite configuration" to refer to a system consisting of one or more centrally located switches tied to a number of peripheral or "satellite" switches located elsewhere. Such a configuration is only one possible type of multiple switch configuration. Thus, NTI's knowledge prior to the debriefing that Centel proposed a multiple switch configuration does not automatically indicate that it also knew of the particular type of configuration proposed.

GSA states, however, that NTI received no information during the course of the debriefing concerning Centel's proposal, and has provided affidavits attesting to this from the GSA personnel present at the debriefing. The agency also asserts that

Centel did not in fact propose a satellite configuration and therefore that NTI could not have learned this from the debriefing. Further, Centel's proposal is considered proprietary and has not been released by GSA.

We believe these factors, together with NTI's changed account of what it learned at the debriefing, cast some doubt on the timeliness of NTI's contention concerning the technical sufficiency of Centel's proposal. However, there is no written record of what actually transpired at the debriefing and neither GSA nor Centel has produced any objective evidence that NTI knew or believed Centel offered a satellite configuration prior to the debriefing. Under the circumstances, we will treat NTI's protest as timely to the extent that it alleges Centel's proposal was technically deficient. See Burroughs Corporation, 56 Comp. Gen. 142 (1976), 76-2 CPD 472.

NTI also argues that GSA erroneously failed to evaluate the cost of required system "augmentations" -- provisions for expansion of the system to meet anticipated future needs -- in its evaluation of Centel's cost proposal. Centel and GSA contend that this issue is untimely. They assert that since the cost evaluation has not been released to the protester, the allegation is purely conjectural, and therefore that timeliness can only be measured from the date upon which NTI learned of the award to Centel. However, neither party has shown that Northern Telecom knew of this basis of protest prior to the debriefing, and as we have just stated, there is no record of what transpired at the debriefing when, NTI alleges, it learned of its basis of protest. Consequently, we believe that the record is not conclusive on the issue of timeliness. Where doubt exists as to when a protester knew or should have known of a basis for protest, that doubt is resolved in favor of the protester. Dictaphone Corporation, B-196512, September 17, 1980, 80-2 CPD 201.

Finally, NTI alleges that Centel's proposal does not comply with the delivery schedule set forth in the RFP. GSA and Centel assert that the information on which the protester relies to support this basis of protest was received on February 21, 1981. Since this issue was not raised within ten working days thereafter, they argue that it is untimely. We agree.

While Northern Telecom argues that its protest is based on information received pursuant to the FOIA, coupled with information gleaned from the debriefing, the former provides the sole basis for its contention that Centel's proposal does

not conform to the required delivery schedule. Specifically, NTI relies on two documents, which it alleges are part of Centel's proposal as accepted by GSA, to support this allegation. The record shows that these documents -- "Houston GSA Job Schedule, Revised January 3, 1980" and "Installation Schedule, Revised January 3, 1980" -- were received by NTI on February 21, 1981 pursuant to its FOIA request.

Generally, a protester may reasonably withhold filing a protest with this Office until it has had a debriefing to learn why its proposal was not favorably considered for award. However, where a potential protester is sufficiently apprised of a basis of protest prior to a debriefing, we will not permit a delay in filing the protest pending the debriefing. Oswego Package Boiler Company, Cyclotherm Division, B-194714.2, August 6, 1979, 79-2 CPD 84; Informatics, Inc., B-188564, April 18, 1977, 77-1 CPD 272. Consequently, NTI was required to file its protest on this issue within ten working days of the receipt of the information on which it is based. 4 C.F.R. § 21.2(b)(2). NTI did not do so and this issue is therefore untimely.

B. Technical Evaluation

NTI alleges that Centel's proposal did not comply with a number of mandatory specifications set forth in the RFP. It argues that because of these discrepancies, Centel's proposal should have been found technically unacceptable and therefore ineligible for contract award. Southwestern Bell has also made certain arguments which will be considered in this portion of the protest because they are logically inter-related with those of NTI.

1. System "Transparency"

First, NTI insists that Centel's proposal, which NTI characterizes as a multiple switch system consisting of a number of Rolm Corporation L switches, does not meet RFP requirements for system "transparency." NTI believes that Centel proposed a system which would initially consist of 13 L switches, and which would later be increased to 19 L switches to meet expanding needs over the life of the contract. Such a system, NTI says, cannot provide system "transparency."

"Transparency" is a telecommunications/data processing industry term referring to the ability of a system to perform a function without the user knowing that it does so. Modern computer controlled, telecommunications equipment has the

ability to select and dial lines without a caller being aware of the routing or even the Bell system assigned dialing number used. If, for example, different numbers must be assigned to the party called for that party to receive calls of different types (such as Federal Telecommunications System (FTS) calls and regular commercial calls) or if the user must sometimes place a call through an operator, the system would not be transparent. A transparent system, NTI contends, is one which would permit a uniform dialing plan in which a single number (one combination of digits) is sufficient to control the system.

NTI's belief that system transparency was required is founded in paragraph T-502j of the RFP which required that:

"The installation shall be a fully integrated system of trunks, switching apparatus, telephone instruments, and cable, conforming to acceptable industry standards."

Believing that a system cannot be considered to be fully integrated in accord with acceptable industry standards unless it permits a uniform dialing plan, and thus transparency, NTI argues that such an approach is impossible using Rolm L switches, at least for the Houston area.

NTI's conclusion is based on a number of assumptions. It assumes, in the first place, that in addition to using Rolm L switches, the system conforms to Rolm's standard practice manual. NTI assumes that Centel proposed to use the Rolm Automatic Number Dialing (AND) Plan, employing a seven digit code, and that certain initial digits were reserved as required by the RFP (0, 7, 8 and 9 which are used to select "operator," intercity trunk, FTS and commercial Bell system lines, respectively) or in accordance with standard Rolm practice (1, which is assigned special functions). Assuming that a portion of the code will be assigned to main stations (principal numbers) and the remainder to individual stations (lines sharing a principal number), which cannot begin with any of the reserved codes, NTI attempts to show there are not enough possible combinations to uniquely identify both main stations and individual stations.

We do not find NTI's argument to have merit.

First, as GSA contends, the RFP language on which NTI relies does not require transparency. By "fully integrated system," GSA says it meant that vendors were to propose a complete system composed of equipment which was fully compatible with all system components, as well as with the tariffed carrier's (Bell system) equipment with which it would be connected. We agree with GSA that the RFP requirement for a fully

integrated system does not necessarily require transparency, and our examination of the RFP discloses no other provision which reasonably could be construed to do so.

The solicitation required use of "dial repeating tie lines" to permit direct in-dial (DID) and direct out-dial (DOD) calls without operator assistance. However, this requirement refers to the ability of the system to connect with outside commercial lines rather than to how it processes internal calls.

Moreover, we find no merit to NTI's contention that the Rolm equipment used cannot process calls using a uniform dialing plan. Our Office has examined, at NTI's request, the technical materials which GSA and Centel have submitted regarding the Centel proposal. Without discussing the Centel proposal (which Centel and GSA maintain is proprietary) in detail, we point out that NTI's position is not supported by the record, which instead indicates that some of the assumptions on which its argument is based are in error. The system Centel proposed has a uniform dialing plan. It permits each individual station to be designated by assigning and dialing a unique multi-digit number and permits DID and DOD calls to be dialed directly.

2. Traffic Handling Capability

NTI further contends that it is impossible through the use of 13 Rolm L switches to handle the telephone traffic anticipated by the RFP. This view, in which Southwestern Bell joins, is likewise founded on misconceptions regarding the Centel proposal.

The argument advanced by NTI and Southwestern Bell in this respect reflects their belief that Centel proposed a satellite system, as a result of which all direct-dial trunk lines must emanate from and pass through the principal Houston CBX site (referred to as "Rusk Street"). Because NTI does not believe Rolm LCBX equipment can be wired together to perform the required switching at Rusk Street, NTI alleges that the RFP requirement for direct-dial commercial access from all stations (by dialing "9") cannot be met by a satellite arrangement. Further, both NTI and Southwestern Bell argue, such a system imposes traffic handling demands on the equipment to be installed at Rusk Street which far exceed the traffic originating at Rusk Street itself. Taking into account all trunk line traffic which would have to be processed, the protesters estimate that the total traffic handled would be three or more times the traffic handling capability of a Rolm LCBX.

The protesters believe that the Rusk Street equipment consists of one "main switch" comprised of two Rolm LCBXs. The traffic requirements of the RFP simply cannot be met, they contend, by these two "tandem" or interconnected Rolm LCBX's. Further, they believe that any attempt to couple more than two LCBXs would create insurmountable technical difficulties. While Rolm has been developing a larger capacity CBX, known as a VL CBX, the protesters argue it could not have been offered because it would not meet an RFP requirement limiting proposals to equipment which was fully operational and in service. As we have just indicated, the protesters' argument that it is necessary to combine multiple VL or LCBXs is based on their assumption that all of the trunk-lines must pass through the Rusk Street switch.

Centel maintains that NTI and Southwestern Bell have over-estimated (by double counting) the amount of switching capacity required because they count trunks and main stations separately and add the results. If traffic is not double counted, Centel maintains, a system built around the Rolm LCBX would be able to meet the specification traffic requirements.

We find the protesters' position to be without merit. Without going into any detail regarding the system proposed in Centel's best and final offer, our examination of its proposal confirms GSA's position that: (a) the Rolm VL CBX was not proposed but (b) the system which was proposed appears to meet the traffic handling and direct-dial trunk requirements of the RFP. The record before us indicates that the protests are based on an incorrect and incomplete understanding of the proposed system.

NTI also argues that the requirement for DOD trunks not only requires that the trunks pass through the Rusk Street CBXs, as discussed above, but that because they do, a user served by a CBX not located at Rusk Street cannot have "direct access" through a DOD trunk since his call would have to be processed at Rusk Street before a connection is completed. The phrase "direct access" is introduced by NTI and does not appear in the RFP requirement.

If by "direct access" NTI means to suggest that the RFP required that each station be furnished with a dedicated outside line, i.e., a line which would be available only to that station, we find no support for this position in the solicitation. On the contrary, the estimated quantity of DOD lines specified in the solicitation falls far short of the number which would be required if each station were to be given a dedicated line.

Rather, the RFP seeks to define an adequate level of direct outside access in functional terms by specifying a minimum acceptable quality of service. How this requirement was to be met was left to the contractor, reflecting the fact that processing within each proposed system would vary from one offeror's proposed system architecture and equipment to another's. Whether Centel proposed to connect stations through one or more CBXs, or whether the CBXs were in fact connected by dial repeating tie lines as NTI believes, is immaterial, since the functional level of service required is to be met regardless of the equipment configuration proposed and does not depend on whether NTI views the routing of the call as "direct" or "indirect." NTI's argument in this respect is without merit.

Further, we note that the protesters' contentions regarding traffic handling capabilities of the Rolm equipment reflects a misconception on their part concerning the quality of the service to be provided. In this connection, Southwestern Bell asserts that the RFP mandated so-called "P.01 service."

P.01 service requires a system designed to assure that all but one percent of calls will be completed during an average busy hour. P.02 service, by comparison, requires a 98 percent completion rate.

Regarding the quality of service required, the RFP stated that:

"The system shall provide sufficient cross-office switching and voice channels between lines and trunks to provide as a minimum of grade of service during the average busy hours as follows: * * *

<u>Type of Connection</u>	<u>Grade of Service Required</u>
Terminating Calls (Trunk-to-subscriber or trunk-to-trunk)	P.01
Originating calls (subscriber-to-trunk)	P.01 (after dial tone)
Intraoffice calls (Subscriber-to-subscriber)	P.01 (after dial tone)
Dial tone connection (Subscriber-to-dial tone source)	Not more than 1.5 percent busy-hour calls delayed over three seconds"

Southwestern Bell maintains that this provision required P.01 service for any call directed outside, into, or between stations within the system. Any other interpretation, Southwestern Bell insists, would require a tortured reading of the provision just quoted.

GSA says that Southwestern Bell has misinterpreted the specifications. According to GSA, the provision refers to the conditions specified for the switches, i.e., there must be sufficient switching and voice channel capability between lines and trunks to permit P.01 service at the switch. The P.01 service requirement did not extend beyond the switch, GSA says. It insists Southwestern Bell should have known this since the estimated number of trunks listed in the RFP tables were sufficient only to allow P.02 service.

Our review of the record indicates that Southwestern Bell knew or should have known of GSA's interpretation of the level of service requirement. In a letter dated July 10, 1980, Southwestern Bell wrote to the contracting officer recommending that the estimated trunk line requirements be increased. Specifically, Southwestern Bell recommended that the number of DID trunks for Houston be increased from 82 to 184 and that the 82 DOD trunks be increased to 148, levels which Southwestern Bell indicates in its protest would be necessary to assure full P.01 service. Southwestern Bell further noted in its letter to GSA that the Houston facilities were at that time served by 180 DID and 125 DOD trunks.

In response, GSA issued Amendment 5 to the RFP, increasing the number of trunks to 150 DID and 115 DOD trunks. The amended number of projected trunks, however, did not equal Southwestern Bell's calculated requirements for P.01 service. This clearly placed Southwestern Bell on notice that GSA did not agree with its interpretation and that the trunking requirements were not established at a P.01 level. To the extent, therefore, that Southwestern Bell views Centel's proposal as technically unacceptable because it does not include the number of trunks required for P.01 service, Southwestern Bell's position is unfounded.

Regarding GSA's projected expanded long term needs, we note in passing that the protesters' belief that GSA only evaluated Centel's ability to meet initial requirements is also unfounded. Centel's system appears to be designed to permit future needs to be met.

3. System Management Capabilities

Finally, NTI raises several technical issues alleging that Centel failed to provide capabilities required by the RFP related to management of the installed system. NTI argues that recording of data regarding toll calls (so called "call detail recording") was required to be done at a central location in each city served, but that Centel's satellite system cannot do so because control is distributed among several CBXs. Similarly, NTI says, data which is to be compiled regarding traffic and usage cannot be computed at one central (Houston) location, which NTI states was required. NTI also states that the Centel system, as it understands it, cannot provide attendants' (operators') consoles with full access to the system including an "attendant-only executive right of way" to verify the condition of station lines and circuit groups and to override conversations in progress. Nor can it permit routing of calls dialed for out-of-service numbers to an operator or recorded message.

NTI's belief that these systems management functions cannot be performed is based in part on a misreading of the specifications and in part on its failure to recognize that management of a distributed or satellite system can be centrally controlled if the centrally located attendant has access to all of the remotely located equipment making up the system.

With respect to call detail recording, NTI argues that it was required at a central location in each city because the RFP provided that:

"Station identification may be accomplished at each individual location, (Galveston, Beaumont, and Houston) or at the centralized location in Houston* * *."

Concerning usage data, NTI says the solicitation required that traffic and usage data be compiled at the main PABX site in Houston. In this connection, the RFP provided that "the main PABX at Houston shall be equipped to provide traffic data on originating, terminating, and intrasystem usage."

Centel argues that NTI's construction of the solicitation requirements is wrong -- that "locations" in the first provision quoted above refers to each CDX, not to each city -- and that traffic usage data need not be collected for individual stations at a central location.

We agree with GSA and Centel that since the RFP encouraged offerors to meet the Government's functional requirements through the submission of innovative system designs, it makes little sense to interpret that same RFP to impose constraints on innovation which are unrelated to the Government's actual needs. As Centel suggests, a computer record can be compiled of calls or usage "at" a location by comparing records made "by" separate albeit not collocated equipment through which such calls will pass. Thus, a system such as the protesters believe was proposed can produce records of the type NTI believes were needed, i.e., traffic usage and station usage data can be compiled. Therefore, we believe that NTI's complaint that such systems are inherently nonconforming is without merit.

We also find no merit to NTI's argument that other system management functions cannot be provided because this would be inherently impossible in a system consisting of a number of CBXs distributed in a satellite arrangement. Even if NTI's assumptions regarding the system proposed by Centel are correct, the system could be centrally managed by providing the operator with a means of addressing inquiries to and intercepting lines at the individual distributed CBXs.

Again, we have examined the record with respect to NTI's allegations. Without discussing here the methods proposed to meet the requirements, we find that Centel did offer a system which GSA reasonably could have concluded met the requirements questioned by NTI.

C. Cost Evaluation

NTI asserts that GSA failed to consider costs related to projected system expansion (referred to by NTI as "augmentation") in evaluating Centel's cost proposal. GSA denies this, and has supplied a copy of the Centel cost evaluation done by use of its Bid Analysis and Reporting System (BARS). (BARS is a computer program used by GSA's Automated Data and Telecommunications Service to evaluate the discounted cash flow of offerors' price proposals in long term contracts.) We have examined this document, which appears to have taken into account planned expansion of the system, and find no merit to NTI's contention in this regard.

D. Proposal Preparation Costs

NTI also requests reimbursement for the costs of preparing its proposal. In view of our conclusions above, we find no basis on which to sustain this claim. See Bell & Howell Corporation, B-196165, July 20, 1981, 81-2 CPD 49.

III. Southwestern Bell Protest

A. Adequacy of Cost Evaluation

1. Timeliness

Southwestern Bell alleges that the contract award was improper because it was not made on the basis of total least cost.

Both Centel and GSA contend that the protester knew of this basis of protest when it was notified on December 9, 1980 that award had been made to Centel. Since Southwestern Bell's protest in this regard was not filed until December 29, 1980, they argue that it is untimely.

The precise basis of protest as set forth by Southwestern on December 29 is as follows:

"[T]he contract was not awarded on the basis of total least cost, including all factors. * * * [T]he contracting officer failed to take into consideration appropriate expenditures that will result to the contracting agency by award of the contract to Centel Communications Company. These expenditures include, but are not limited to, appropriate costs for conduit and equipment facilities, environmental conditioning and other services needed in addition to any equipment supplied directly from interconnect vendors which should be factored into determining least cost to the federal government. The [cost evaluation] * * * further fails to take into consideration additional administrative expenses that can reasonably be projected to result from the awarding of the contract to Centel Communications Company."

Southwestern Bell contends that this basis of protest did not arise until it received certain information concerning the cost evaluation on December 17 and 19, 1980, pursuant to an FOIA request, and that its protest is timely since it was filed within ten working days thereafter. We agree.

Although it may be, as GSA and Centel assert, that Southwestern Bell knew what costs should have been taken into account upon learning that award had been made to Centel, nothing indicates it had reason at that time to conclude that any such costs had not in fact been properly evaluated. Further, while GSA argues that if anything, the FOIA response informed

Southwestern Bell that all appropriate costs had been evaluated as required, we view such an argument as going to the merits rather than the timeliness of Southwestern Bell's protest. We do not believe it has been shown that Southwestern Bell knew of this basis of protest prior to receipt of the FOIA response.

In its protest of March 24, 1981, besides raising several new issues, Southwestern Bell expanded upon its contentions regarding the adequacy of the cost evaluation. This aspect of Southwestern Bell's protest was further amplified in its comments on the agency report, and also in its post conference comments. On each of these occasions, Southwestern Bell's objections to the cost evaluation were made more specific. GSA and Centel contend that these additional points are new and independent bases of protest which are untimely filed.

As a general rule, we have viewed the question of the timeliness of specific bases of protest raised after the filing of a timely initial general protest to revolve around the relationship the later-raised bases bear to the initial protest. Where the later bases have presented new and independent grounds for protest, we have considered that they must independently satisfy the timeliness requirements of our Bid Protest Procedures. Conversely, where the later bases of protest have merely provided additional support for an earlier timely raised objection, we have considered these additional arguments. Annapolis Tennis Limited Partnership, B-189571, June 5, 1978, 78-1 CPD 412, aff'd, July 11, 1978, 78-2 CPD 28.

In this case, the fundamental objection to the cost evaluation initially raised by Southwestern Bell was that the contract was not awarded on the basis of total least cost because GSA failed to properly evaluate a number of cost factors. Some of these factors were set forth by example, but it was made clear that the protest was not limited to those specific factors. In this regard, we note that GSA had released only a limited amount of information concerning the cost evaluation to Southwestern Bell, and had refused to disclose the actual cost evaluation made of Centel's proposal. Under these circumstances, we do not believe that Southwestern Bell's additional objections can be regarded as entirely separate from its initial statement of protest. Rather, we believe that they are in the nature of additional support for its timely raised objection that award was not made on the basis of total least cost, including all factors.

Nevertheless, we believe it is appropriate to emphasize at this point that our Bid Protest Procedures do not contemplate piecemeal development of protest issues. Therefore, protesters should assert and substantiate all of their grounds

of protest as promptly as possible and a failure to do so may result in portions of a protest being found untimely. See, e.g., Educational Media Division, Inc., B-193501, March 27, 1979, 79-1 CPD 204; Radix II, B-186999, February 8, 1977, 77-1 CPD 94. In addition, even where a protester's subsequent objections are considered timely, the time required for developing these issues inevitably delays the ultimate resolution of the protest.

2. Merits

a. OPX Mileage Charges

Southwestern Bell asserts that GSA improperly failed to evaluate so-called "scattered site OPX mileage charges." "OPX" refers to an off-premise extension, i.e., a telephone station located away from the facility where the controlling switch (CBX) is located or housed. Since whether a station is an OPX or not depends upon where its controlling switch (computer branch exchange or CBX) is located, the number of OPXs depended upon where an offeror proposed to place his CBXs. GSA evaluated the charges it would incur for these off-premise extension lines where stations were treated as OPXs by some offerors but were collocated with a CBX by others. Thus the term "scattered site OPX" refers to a station which was treated as an off-premise extension by all offerors.

GSA says it decided not to evaluate these charges for several reasons: 1) the difference in prices evaluated without these charges was not prejudicial to any offeror since all offerors would be affected; 2) the offices where these phones would be provided are generally under short-term lease and thus subject to frequent relocation, making any evaluation of them speculative, and 3) evaluation of such charges would require that GSA interpret and verify routing, types of circuit used and distance measured in airline miles -- all based on information which is available only from the tariffed carrier.

However, as Southwestern Bell points out, the effect of GSA's decision to ignore scattered site OPX charges was to disregard the potential cost advantage which could be gained by using the Southwestern Bell proposed Centrex System. Except for charges for connections between two or more of the tariffed carrier's offices, no OPX charges are incurred using Centrex because all station circuits are served directly from such offices.

We agree with Southwestern Bell that these charges should have been evaluated. In this connection, the RFP provided that:

"In-house costs such as site preparation, environmental requirements, and any adjustments necessary to achieve true comparability, will be included in the evaluation to determine total systems cost to the Government."

We believe the OPX mileage charges can reasonably be considered to be a necessary adjustment to the proposed prices if the evaluated prices are to be considered comparable. Where an agency makes it clear that its evaluation will be based on an analysis of expected system life cycle costs without qualification, offerors may reasonably expect that all determinable elements of cost will be taken into account. Information International, Inc., 59 Comp. Gen. 640 (1980), 80-2 CPD 100, aff'd sub. nom. B-191013, October 7, 1980, 80-2 CPD 246.

Moreover, in the course of preproposal questions, GSA was asked, and responded, as follows:

"Q: How do we price in OPX services?"

"A: GSA will make necessary adjustment for OPX's. * * *"

Nowhere did GSA advise offerors that it would not make adjustments to reflect cost differences attributable to scattered site OPXs.

It has not been shown, however, that GSA's failure to compute scattered site OPX charges was prejudicial. In this regard, we have examined Southwestern Bell's and GSA's computations and data concerning what such charges should be. GSA's conclusions are based on an examination of the impact of scattered site OPX costs for OPXs listed in the RFP. Based on this, GSA computed the expected correction to Centel's system cost at \$249,256.56. Southwestern Bell, however, computed a cost of \$1,215,549.72.

Southwestern Bell's computation is not based on the same set of sites and data used by GSA. Rather, it is based on what Southwestern Bell claims is a highly detailed technical and economic audit of GSA's system requirements. Southwestern Bell has not presented the work papers used in conducting this "audit," but has contented itself with relying on the conclusions reached.

Southwestern Bell admits that it would not be entitled to claim the full benefit of the \$1,215,549.72 since there would be a charge for lines between its offices, but contends it should have received a credit of \$748,558.80. Discounted to current value as required by the RFP, this would represent a difference in the evaluation of about \$410,000.

In rebuttal, GSA disputes the accuracy of this figure. According to GSA, Southwestern Bell made several apparent errors in its calculations so that even if the data on which Southwestern Bell based its conclusions was correct, the total should be \$301,261.58 at present value.

We do not find it necessary to resolve the differences reflected in these figures. Whether the adjustment should have amounted to \$250,000, \$300,000 or even \$400,000, a substantial difference would remain between the cost of contracting with Centel and Southwestern Bell. To show prejudice, therefore, Southwestern Bell would have to demonstrate that GSA made additional errors which cumulatively would overcome the remaining difference. As will be seen, Southwestern Bell has not made such a showing.

b. Conduit

Southwestern Bell argues that GSA failed to take into account costs associated with the installation of new conduit, which the protester believes would be necessary to support the Centel system. Southwestern Bell recognizes that the existing conduit belongs to the Government, but points out that the existing cables largely occupy the space presently available, and that those cables belong to Southwestern Bell. According to Southwestern Bell, it would be necessary to provide additional conduit in order to maintain continuous service during transition from its system to Centel's system. Moreover, Southwestern Bell argues that all of the existing conduit will not be available once its own service terminates because it will continue to serve some Government installations in the Houston area with lines running through the existing conduit, and because it may in some instances prove impossible to remove deteriorated cable.

Thus, Southwestern Bell believes that GSA should have adjusted Centel's evaluated cost by \$186,201. Southwestern Bell argues that GSA may have to "core drill" walls and floors to lay conduit, remove and reinstall carpet in the affected area, and patch holes through walls and floors. Only \$22,481 of the \$186,201 total represents the cost of the additional conduit Southwestern Bell believes will be needed.

GSA and Centel point out that Centel was required in its proposal to indicate whether any new conduit would be needed in order to accommodate its system. While GSA would have considered conduit related costs had Centel indicated that additional conduit would be required, Centel did not believe that

it would be, and thus did not indicate such a need in its proposal. GSA believes and Centel acknowledges, that based on its representation, Centel would be liable for the cost of installing additional conduit if any is ultimately required.

We see no reason to question GSA's evaluation of Centel's proposal in this regard. While it is possible, as Southwestern Bell argues, that some portion of the existing conduit may not be usable, there is nothing in the record before us to indicate that a substantial portion of the conduit would not remain available. As indicated earlier, Southwestern Bell's protest is based on a mistaken understanding of the Centel proposal, as well as of the quality of service and number of lines GSA required. Under the circumstances, we cannot conclude that GSA acted unreasonably by not including the expense of additional conduit in its evaluation of Centel's cost proposal.

c. System Administration and Travel Expenses

Southwestern Bell alleges that an additional \$255,000 should be added to Centel's price proposal to cover system administration expenses. It also argues that \$276,000 should be added for travel expenses.

GSA states that it did not include any administrative costs in the evaluation since there is no evidence that these costs vary significantly between offerors. Specifically, GSA states that a program-wide determination has been made that there are no known quantifiable differences in the cost of contract administration between the tariffed carrier (in this case, Southwestern Bell) and an interconnect company, such as Centel.

As GSA and Centel point out, the protester has provided no factual support for its assertions that additional administrative and travel expenses will be incurred as the result of award to Centel. The record contains only Southwestern Bell's bare statement that "past history will establish the need for contract administration on a contract of this type with other than the common carrier (which carries the burden of administration)." No evidence to demonstrate that this is so has been presented, and no rationale of any sort has been provided to justify the addition of \$276,000 in travel expenses to Centel's offer. Further, nothing apparent from the record supplies any justification for such increases. Under these circumstances, we must conclude that the protester has not met the burden of affirmatively proving its case. See Bell & Howell Corporation; Realist, Inc., B-193301, February 6, 1979, 79-1 CPD 82.

d. Floor Space and Agency Relocation Costs

The protester questions whether GSA properly evaluated the relative floor space requirements for each offeror's equipment and whether the evaluation included a consideration of interim space requirements before cutover of the new system (when space will be needed for both the existing installation and the temporary Centel installation). Southwestern Bell also contends that at least one Government agency is being forced to move to make room for the Centel system and that the costs associated with this move and any other forced relocations should have been included in the evaluation of Centel's proposal. Further, the protester suggests that since GSA apparently knew neither the cost nor the nature of this relocation at the time of award, it could not properly have evaluated the ultimate costs of Centel's proposal.

GSA states that it did take relative floor space requirements into account for each offeror and that, at least in Centel's case, they were based on the offeror's estimates, which were supported by the equipment manufacturer's technical literature. The cost evaluation documents for Centel's proposal contained in the record support this position, and also show that the actual amount which GSA took into account for Centel's floor space requirements is greater than Southwestern Bell's estimates of what those costs should be. Consequently, we find no merit to Southwestern Bell's contentions in this regard.

With respect to interim space requirements, it is not clear from the record whether such costs were in fact evaluated. However, the period of time during which both the existing system and the new system will be in place prior to cutover should be relatively short, and we believe that the costs associated with it would be negligible. In view of the price difference between Southwestern Bell's and Centel's proposals, we conclude that Southwestern Bell could not have been prejudiced even if these costs should have been, but were not, taken into consideration.

GSA did not evaluate the costs associated with relocating agencies, apparently because it had no reason to believe that any agencies would be required to move in order to make room for Centel's system. GSA states, and Southwestern Bell acknowledges, that the new system will ultimately require less space than the existing one. While GSA recognized that additional space would be needed at one location, it had been informed in the late summer of 1980 that a current occupant -- the FBI -- was planning to vacate space which was adjacent to the existing telephone system. This space was considered by GSA as ideal for its purposes. After the contract had been awarded, however, GSA learned that the FBI's planned move had been canceled.

Space for the necessary equipment will now be made available by a reduction in space required by one agency and the move of six personnel from another agency to a new location.

It is apparent that at the time the contract was awarded, GSA believed that there would be no need for any agencies to relocate in order to make room for Centel's equipment in light of the planned move by the FBI. (Although Southwestern Bell asserts that this move was not voluntary, but rather was being forced by GSA, there is no support for this in the record.) Therefore, we cannot conclude that GSA's failure to include these costs in its evaluation of Centel's proposal was unreasonable.

e. System Insurance

Since Southwestern Bell offered a lease plan, but award was made on a lease with option to purchase basis, the protester argues that GSA's evaluation of Centel's price proposal should have included the cost of insuring its system after the option to purchase is exercised. GSA responds that the Government is a self-insurer, and therefore generally does not attempt to quantify such costs for inclusion in a cost or price evaluation.

We have held that the costs of Government self-insurance of purchased equipment are too indefinite and speculative to be used as an evaluation factor in comparing offers of leases and purchases. General Telephone Company of California, B-190142, February 22, 1978, 78-1 CPD 148. Therefore, Southwestern Bell's contention that these costs should have been included in the evaluation of Centel's proposal is without merit.

f. Other Alleged Errors

Southwestern Bell contends that several additional errors were made in computing the costs associated with Centel's proposal. We find these contentions to be without merit, and summarily dispose of them.

First, Southwestern Bell alleges that the cost of trunk lines was understated. The correction suggested by Southwestern Bell is based on the difference between the number of trunks required for P.01 Service (184 DID and 148 DOD lines) and the level of service supported by the trunk line estimates which GSA included in the RFP as amended. Since Southwestern Bell's contention regarding the level of service required has already been rejected, this adjustment would be inappropriate.

Southwestern Bell also says GSA underestimated tie line costs, particularly the cost which would be incurred in establishing tie lines between the Rusk and Murwith Street CBXs in Houston. According to Southwestern Bell, such lines would cost 83 percent more than GSA allowed and would account for an adjustment of approximately \$179,000 in current dollars.

GSA states that it computed the cost of these lines using data furnished initially by Southwestern Bell and argues that Southwestern Bell has not explained the basis for the discrepancy between the data it furnished earlier and the data it now argues is correct. We agree with GSA that Southwestern Bell has not furnished sufficient detail to establish that GSA's figures were incorrect. See C. L. Systems, Inc., B-197123, June 30, 1980, 80-1 CPD 448. To the extent, moreover, that GSA is correct in believing that the discrepancy is in the data provided by Southwestern Bell as the tariffed carrier, Southwestern Bell should not be heard to complain of the resulting evaluation.

In addition, the protester asserts that certain other items either should have been evaluated and were not, or were erroneously evaluated. None of these items is sufficient either alone or cumulatively with the others (taking into account amounts for scattered site OPX mileage charges and interim space requirements) to have closed the gap between Southwestern Bell's and Centel's prices. Consequently, we do not find it necessary to consider these matters further.

Finally, the protester asks that we review all the cost information relating to on-site preparation costs, environmental costs (such as air conditioning and power) and applicable tariff charges to insure that these items were properly evaluated. If the protester is suggesting that we conduct an independent investigation of this matter, we note that it is not our practice to conduct investigations pursuant to our bid protest function for the purpose of exploring the validity of a protester's suspicions. See Alaska Associates, Inc., B-196360, February 20, 1980, 80-1 CPD 149. Although we recognize that GSA has refused to release the actual cost evaluation documents to the protester, our review of the record reveals nothing to suggest that any of the specified factors were improperly evaluated, and we find nothing in the record which would warrant conducting an investigation as part of our consideration of this protest.

B. Other Issues

1. Technical Acceptability of Centel's Proposal

Southwestern Bell alleges that Centel's proposal does not conform to a number of specified RFP technical requirements. These issues were not raised, however, until the protester filed its comments on the agency report. As a consequence, both GSA and Centel contend that they are untimely.

Southwestern Bell argues that the conformity of Centel's proposal to the RFP specifications is an issue raised in a timely manner by NTI and that the points it raises are only further developments of this issue. The protester does not assert any independent grounds for the timeliness of these allegations, nor are any apparent.

As our discussion of NTI's protest indicates, NTI alleged that Centel's proposal did not comply with several specific solicitation provisions. Southwestern Bell is clearly an interested party to that protest, and as such, its arguments in support of those issues which have been timely raised by NTI are entitled to full consideration by this Office. See Educational Projects, Inc., 56 Comp. Gen. 381 (1977), 77-1 CPD 151. We took these arguments into account in our consideration of NTI's protest, supra.

To the extent, however, that Southwestern Bell's allegations differ from the specific issues raised by NTI, they must independently meet the timeliness requirements of our Bid Protest Procedures. See Florida Telecom, Inc., B-200430.2, October 28, 1981, 81-2 CPD 352. Consequently, we consider such allegations untimely. Further, the fact that NTI's protest includes a general allegation that Centel's proposal is technically unacceptable provides no support for the timeliness of Southwestern Bell's more specific allegations. See Illinois Bell Telephone Company, B-202238, October 20, 1981, 61 Comp. Gen. _____, 81-2 CPD 320.

2. P.01 Grade of Service

In its protest filed here on March 24, 1981 (more than three months after contract award), Southwestern Bell alleged that while the RFP required a P.01 grade of service to be furnished by the new telephone system, the number of trunk lines specified in the RFP would not support this grade of service. This, Southwestern Bell contended, raised "the specter of impossibility of performance."

To the extent that this allegation may be viewed as questioning the traffic handling capability of Centel's system, or GSA's application and interpretation of the RFP specifications in that regard, it has been addressed in our discussion of NTI's protest, supra. However, insofar as it may relate to an

alleged defect in the RFP, it is untimely since our Bid Protest Procedures require that protests based upon alleged solicitation improprieties be filed prior to bid opening or the closing date for receipt of proposals. 4 C.F.R. § 21.2(b)(1).

3. Discussions After Receipt of Best And Final Offers

In its comments on the agency report, Southwestern Bell for the first time alleged that GSA improperly held discussions after receipt of best and final offers (BAFOs). The basis for this contention is a "reconciliation" process initiated by GSA on August 18, 1980, approximately two weeks after BAFOs were submitted. At that time, offerors were requested to verify the raw cost and present value totals used in evaluating their cost proposals, as well as the adjustments made to their cost proposals in order to achieve comparability.

In response to GSA's reconciliation request, Southwestern Bell suggested that certain errors were made in the evaluation of its cost proposal. After meeting with Southwestern Bell representatives, GSA concluded that some prices clearly discernible from the applicable tariff (which is the price GSA must accept from the tariffed carrier) were incorrectly applied. Consequently, certain corrections were made to Southwestern Bell's cost evaluation.

Southwestern Bell contends that this reconciliation process constituted discussions since it was permitted to modify its cost proposal as a result, and that clearly a similar opportunity would have been provided to Centel. GSA responds that the reconciliation process does not allow for changes to any offers, but rather simply provides for corrections or clarifications of the BARS entries so that the analysis conforms to the actual offer. GSA also states that no other offeror requested changes in its BARS results and none was made.

Further, GSA and Centel argue that the issue is untimely. They contend that this basis of protest was known to Southwestern Bell in August 1980 when it met with GSA to discuss its BARS evaluation. We agree. As a participant in these allegedly improper post BAFO discussions, Southwestern Bell was clearly aware at that time of the very facts upon which this allegation is based. Our procedures do not afford it the opportunity for participating in allegedly improper discussions, and then months later, upon learning that award has been made to another firm, filing a protest against the propriety of those discussions. See EG&G Incorporated, B-182566, April 10, 1975, 75-1 CPD 221.

We note, nonetheless, that we find it difficult to understand how Southwestern Bell could have been prejudiced by a procedure under which all offerors were given an opportunity to correct the Government's evaluation of their cost proposals and only the protester took advantage of the opportunity.

4. Post-Award Contract Changes

Southwestern Bell argues that within one week of contract award, such substantial changes were made to the specifications that the competition on which the contract was awarded has been distorted. The basis for this allegation is a memorandum dated December 12, 1980 which details potential changes in the locations and number of personnel to be served by the new telephone system. Southwestern Bell argues that these changes represent a radical modification of GSA's requirements, which in turn will require substantial revision of Centel's system design, with a significant impact on cost.

Centel argues that this allegation is untimely raised because Southwestern Bell admits that it received the information on which it is based (the December 12, 1980 memorandum) on March 26, 1981, but did not raise the issue until it submitted its comments on the agency report on July 10, 1981.

Southwestern Bell contends that this matter was first raised in its submission of March 20, 1981. However, our examination of that document reveals that Southwestern Bell simply alleged "on information and belief" (it had not yet even received the December 12, 1980 memorandum) that one agency was being required to move to make room for Centel's system and that this demonstrated GSA's failure to take all appropriate costs into account in evaluating Centel's proposal. No mention was made of any planned specification changes which would require changes to Centel's system design and thereby invalidate the competition which was held.

Our review of the record reveals that Southwestern Bell first addressed the various changes in location and number of personnel reflected in the December 12 memorandum, and their alleged impact on the competition for this contract, in a letter received in this Office on April 17, 1981. Since our Bid Protest Procedures at 4 C.F.R. § 21.2(b)(2) require that protests such as this be filed within ten working days after the basis of protest is known or should have been known, and since the protester received the December 12 memorandum on March 26, 1981, we must conclude that this issue is untimely.

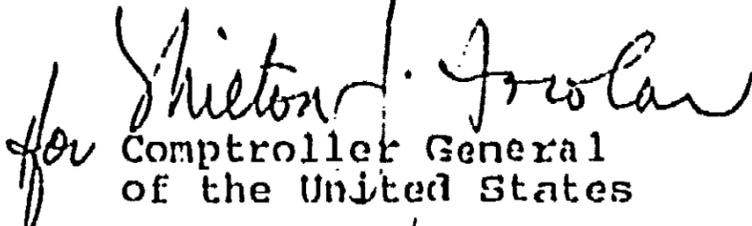
We do note that Southwestern Bell also attempts to ground the timeliness of this allegation in what it refers to as "the arbitrary procedures" issue raised in its initial protest to this Office. The issue to which Southwestern Bell alludes is a very general statement that "Southwestern Bell protests the awarding of the contract to Centel Communications Company on the basis that the award was based on a solicitation conducted in an arbitrary manner * * *." We do not agree that the inclusion of such a broadly stated allegation in an initial protest permits the protester to later present any specific, and otherwise untimely, argument having some relevance to that initial general allegation.

While the protester argues that if this issue was found lacking in specificity we had a duty to request additional details under section 21.2(d) of our Bid Protest Procedures, we find no merit to this contention. Under section 21.2(d) we request details when an initial protest filing is so vague or incomplete that neither we nor the procuring activity could be expected to identify a basis for protest. When the initial filing appears to adequately state some ground for protest, we do not necessarily request additional details. In the final analysis, it is the protester's duty to clearly articulate and diligently develop its own protest, not this Office's responsibility. Illinois Bell Telephone Company, supra. Thus, if portions of a protester's initial submission do not suffice to identify some issues adequately, we view any subsequent submissions from the protester as having to independently satisfy our timeliness requirements.

Finally, there is nothing in the record to support Southwestern Bell's general allegation that the award was based on a solicitation conducted in an arbitrary manner.

IV. Disposition

The protests are dismissed in part and denied in part.

for 
Comptroller General
of the United States