

DECISION

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

FILE: B-209053

DATE: July 6, 1983

MATTER OF: J.J. Broderick Company

DIGEST:

1. Protest that agency solicitation for carousel-type automated storage and retrieval system unduly restricts competition is without merit where record shows that agency technical personnel had an opportunity to evaluate the relevant characteristics of the available systems and reasonably determined that the carousel-type system was the only system that could meet its minimum needs and the protester has not shown that the agency's determination was unreasonable.
2. Agency is not required to prepare a formal document justifying its requiring a carousel-type storage system where agency was familiar with the operating and productivity characteristics and construction features of the available systems and its determination to require the carousel system was made based on this knowledge.

J.J. Broderick Company protests a requirement in invitation for bids (IFB) DLA004-82-B-0019 issued by the Defense Depot, Memphis, Tennessee, Defense Logistics Agency (DLA), for a carousel-type automated storage and retrieval system¹ for medication and medical supplies. Broderick contends that this requirement is unduly restrictive because it precludes Broderick from offering

¹ A revolving system which can carry suspended wire baskets, tubs, bins or shelves stocked with supplies, the carousel revolves to the operator's station and access to the storage units is available from the front, rear or side as desired.

its "mini-load stacker"² system. For the reasons that follow, we deny the protest.

The storage system originally was the subject of a two-step formally advertised procurement which did not specify the particular type of system which must be supplied. The agency received bids from three firms, not including Broderick, under step two of this solicitation. The solicitation was canceled, however, as the result of a protest filed with our Office on issues unrelated to those raised in this protest. E. C. Campbell, Inc., B-205533, July 8, 1982, 82-2 CPD 34. The agency reports that although it was unable to make award under the original solicitation, that attempted procurement allowed it to search the industry and evaluate its requirements which resulted in the agency's issuing the current solicitation limited to carousel-type systems.

Broderick contends that its mini-load system can satisfy DLA's requirements for storage and retrieval more efficiently than the carousel system and at a much lower cost. In support of this position, it cites an independent consultant's report which concludes that while DLA's present manual storage and retrieval system was probably the best option, as between the carousel and mini-load systems the mini-load is superior. In addition, Broderick contends that DLA improperly limited potential suppliers to the carousel system without performing a formal economic and performance analysis to justify the use of that system.

DLA states it is not required to prepare a formal document justifying its need for the carousel system and argues that its technical personnel were familiar with

²A "mini-load" system is used for storing supplies in bins assigned to specific locations. The bins or tubs are arranged in a high density configuration on both sides of an aisle, and the entire system is totally enclosed. The system uses an automated storage/retrieval machine equipped with code-reading scanners, microprocessor controls, and an extractor mechanism for retrieving coded bins. The machine automatically removes desired bins and brings them to an operator station at one end. Ray Kulwiec, Basic principles of planning, installing and maintaining automated storage and retrieval systems, in Plant Engineering 44 (1982).

the structure and operation of the mini-load system because Broderick had been given an opportunity to discuss the merits of its system with agency personnel while the previous solicitation was outstanding. It was with this knowledge of Broderick's system, DLA argues, that its technical personnel determined that the carousel system was the only one which satisfied its needs. Finally, DLA notes that it has received bids from two firms under the subject solicitation and did not receive a bid under the prior solicitation from a firm offering a mini-load system.

Some of the major reasons DLA cites for specifying the carousel system follow:

(1) Medical supplies must be stored at temperatures within a certain range, so that the air flow in the storage building must be regulated to maintain an even temperature level. The configuration of the carousel system is open and this allows for the free flow of air around and through the carousel assembly and the individual storage baskets. The mini-load system, on the other hand, is enclosed and this prevents the free flow of air around the medication which precludes easy maintenance of an even temperature level.

(2) The open nature of the carousel baskets permits easy visual access to the stored medications, thus facilitating checks of the expiration dates, while the closed nature of the mini-load system requires each drawer to be pulled and its contents examined--a process more time consuming than with the carousel.

(3) The carousel is the only system capable of significantly greater output levels during emergency conditions.

(4) The storage system must be accessible during power failures and the open nature of the carousel system satisfies this need, while with the mini-load system personnel would have to go inside the system and operate the storage drawers by hand. This, according to DLA, would be a slow and awkward process.

(5) The shelf arrangements in the bins of the carousel can easily be adjusted to reflect different storage needs created by stock changes, while the shelf arrangements of the mini-load system are set at installation and would require significant reprogramming when adjustments are required.

In addition, DLA argues that the carousel system is more easily relocated than the more complex mini-load system and easier and cheaper to maintain because of its simpler design.

Procuring agencies are required to state specifications in terms which will encourage maximum competition and still satisfy the agency's actual minimum needs. Defense Acquisition Regulation § 1-1201(a). A procuring agency is accorded broad discretion in determining its needs because Government procurement officials, familiar with the particular conditions under which equipment has to be used are in the best position to know the Government's actual needs and to draft appropriate specifications. Integrated Forest Management, Inc., B-204106, January 4, 1982, 82-1 CPD 6. When a protester challenges a specification as unduly restrictive of competition, the agency must establish that the restrictions imposed are reasonably related to its needs, but the protester retains the burden of showing that the requirements complained of are clearly unreasonable. Oshkosh Truck Corporation, B-198521, July 24, 1980, 80-2 CPD 161.

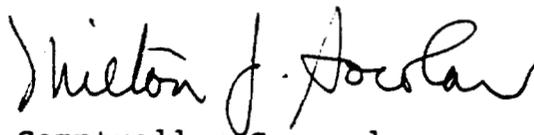
Essentially, Broderick disputes the agency's opinion concerning the superiority of the carousel system for the storage of medical supplies. For example, regarding the agency's stated need for controlled air flow and constant temperatures, Broderick contends that this can be achieved with its system. DLA responds, however--and Broderick does not dispute--that substantial modifications to the ventilation system of the storage building would be required in order to achieve this air flow balance with the mini-load system.

Similarly, regarding the agency's need for a system whose output can be greatly increased during an emergency, Broderick challenges the agency's ability to meet those

needs with the carousel system; however, it does not contend or show that its system is capable of meeting those needs. Instead it explains that any great increase in output would require a "totally different concept" in design for the system. In sum, the agency believes that the mini-load system is too complex, slow, inflexible and difficult to maintain to meet its particular needs here. While the protester clearly disagrees with the agency's conclusions, it has not clearly shown that its system possesses the characteristics of the carousel-type system which the agency maintains it needs or that these characteristics are not reasonably related to the agency's needs. Where, as here, the basis of the protest is simply the protester's disagreement with the agency's technical opinion, even where the protester's position is supported by its expert's technical advice, the protester has not met its burden of proof to establish that the agency's position regarding its technical needs is unreasonable. Sparklet Devices, Inc.--Reconsideration, B-199690.2, October 8, 1981, 81-2 CPD 285. In such cases the views of the contracting agency must prevail. See London Fog Company, B-205610, May 4, 1982, 82-1 CPD 418.

The fact that the agency failed to prepare a formal document containing an economic and performance analysis justifying the requirement for a carousel system is not significant inasmuch as its technical personnel determined the carousel system to be necessary with full knowledge of the operating and productivity characteristics and construction features of the mini-load system. There is no requirement that the agency's rationale for requiring a particular system or type of product in a solicitation be included in a formal document.

The protest is denied.



Acting Comptroller General
of the United States