

DECISION



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

Letter 26252

FILE: B-209671

DATE: September 16, 1983

MATTER OF: NCR Corporation

DIGEST:

1. Protest against exclusion from competitive range is denied where protester failed in operational capability demonstration (OCD) to demonstrate ability to satisfy mandatory requirements and protester rejected opportunity to rerun OCD. Although requirements may not have been clearly stated in solicitation, instructions and materials for OCD, provided to offerors 8 weeks in advance, clarified and refined statement of requirements sufficiently to put offerors on notice of actual needs.
2. Contention that agency-supplied programs, to be used for conduct of operational capability demonstration, did not comply with requirements of RFP is untimely filed where protester has test materials, including programs, in possession for 8 weeks prior to OCD, but did not protest before demonstration date.

NCR Corporation (NCR) protests its elimination from the competitive range under request for proposals (RFP) No. IRS 82-32, issued by the Internal Revenue Service (IRS). We deny the protest.

The IRS issued this RFP to acquire computers and software to upgrade a "Computer Assistant Audit Program Interactive Programming and Remote Job Entry Terminal System," known as CAAPIRS. The RFP reserved the right for IRS to request an operational capability demonstration (OCD) "of an installed system similar to that being procured" to confirm the ability of a vendor's system to meet the mandatory requirements of the RFP. Offerors were provided

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the instructions, programs and data for the OCD approximately 8 weeks prior to the test. On the basis of NCR's demonstration, the IRS concluded that NCR's offer did not meet the mandatory requirements of the solicitation. NCR disagreed with the IRS's assessment, leading to several meetings and exchanges of correspondence, culminating in a meeting at which the IRS offered NCR the opportunity to repeat its OCD within 2 weeks. NCR refused. After NCR declined this opportunity, the IRS eliminated NCR from the competition. NCR contends that its elimination from the competitive range was improper.

The IRS found the following deficiencies in NCR's OCD: (1) NCR failed to demonstrate a full-screen editor capable of operating on program, data and text files--(A full-screen editor generally is capable of editing multiple lines on a full-screen of text, here 24 lines long by 80 characters wide; a "line editor," on the other hand, edits only one line of text at a time); (2) NCR did not demonstrate the running of a Fortran interactive program--(For a program to be interactive, it must have the ability to send messages to the user at the terminal and accept responses from the user--e.g., the program may ask the user to "Enter Total Cost:," to which the user responds by typing in the appropriate amount; the program then continues processing.); (3) NCR's keyboard did have the functions required by the RFP; and (4) NCR did not demonstrate "3270 protocol." NCR asserts that it did demonstrate the 3270 protocol and contends that neither the full-screen editor nor "interactive Fortran" was a mandatory requirement of the RFP. NCR also alleges that the IRS improperly conducted the OCD on a "pass-fail" basis since it was to be a demonstration of a "similar" system and not the equipment actually offered and contends that it successfully demonstrated all requirements which might have reasonably been expected under the RFP. We will focus our attention on only two of these deficiencies since these were sufficient to justify the exclusion of NCR's proposal.

Interactive Fortran Program

The mandatory requirements stated in the RFP required offerors to furnish a Fortran compiler which complied with the requirements of FIPS (Federal Information Processing Standard) Publication No. 69. (Fortran, short for "Formula Translation," is a computer programming language used primarily for solving mathematical problems; a "compiler" translates programs written by a programmer into

instructions that a computer can understand.) Not all Fortran compilers support interactive programs. As we noted above, the IRS provided the OCD instructions (and Fortran program) to NCR 8 weeks prior to the demonstration.

The OCD instructions described the Fortran programs to be demonstrated as follows:

"Test #	* * *	Program(s) to be Tested
"1. F.6.a(1)		Present Value (FOR) - interactive - one set of input data
	* * * * *	
" F.6.a(3)		Depreciation (FOR) - interactive - 1 input set"

In order to perform its OCD, NCR rewrote the interactive portions of these programs in COBOL, short for Common Business Oriented (computer) Language. The IRS found this unacceptable because its Fortran programmers are not familiar with COBOL and would be unable to write interactive programs if the use of COBOL were required.

NCR concedes that it did not run the full interactive Fortran program in its OCD, but contends that "interactive Fortran" was not a mandatory requirement of the RFP. NCR also alleges that the Fortran program provided by the IRS did not meet the requirements of FIPS Pub. 69, as required by the RFP.

Text/Program Editor:

The RFP required that the system incorporate a library of easy-to-use utility programs, including the following:

"Initiate an input text editing and data entry function to include, but not be limited to:

"(1) user screen input
formatting to include automatic
cursor tab set;

"(2) tag changing throughout
a file by inputting one change or
command; and,

"(3) provide limited editing and validation of input data."

The RFP also required that the system terminals have cursor control keys (e.g., up, down, right and left) and keys to insert or delete characters or lines. The RFP also stated that offerors would be responsible for the integration of the system hardware and software.

The list of tests to be performed in the OCD instructions included the following:

"Test #	Program(s) to be Tested"
"8. F.6.i(1)	Input COBOL program, using text editor, change the Source and Object-computer paragraphs to vendor's machine, and then compile the program. * * *
" F.6.i(2)	Edit Life Insurance data file to create an input file with just the data for No. 2 company cards. * * * Run batch Life Insurance program as in F.6.d with only 1 company input."
"9 F.6.J	Communications * * *

NCR ran the first editing test using an NCR utility program known as OLPD--or "On-Line Program Development"; OLPD is a line-oriented editor, that is, it works on only one line of text at a time. NCR performed the second editing test using a COBOL program to extract the data. The IRS reports that NCR was unable to perform this latter function with its OLPD because OLPD cannot operate on data files and because OLPD cannot operate on any file longer than 80 characters.

The IRS found this facet of NCR's demonstration to be unsatisfactory because IRS was expecting a full-screen editor to be used for both parts of the test. In this regard, the IRS argues that the requirement for cursor control keys and delete and insert keys and the requirement for the contractor to integrate the hardware and software are consistent only with a requirement for a full-screen editor. NCR, on the other hand, states that it interpreted the data entry and text editing functions to be two separate functions, not requiring one program, and points out that "full screen editor" is not mentioned anywhere in the

solicitation; NCR contends that a mandatory requirement for a full-screen editor cannot reasonably be deduced from the RFP.

GAO Analysis

We regard benchmarks, or, by analogy, demonstrations of the type required here, as extensions of the technical evaluation of proposals, the principal purpose of which is to provide a demonstration of the capability of offered hardware/software to perform the required functions. NBI, Inc., B-201853.3, August 9, 1982, 82-2 CPD 114. Consistent with this view, we have long been critical of the strict pass/fail benchmarks which lead to the automatic exclusion of otherwise potentially acceptable offers and have held instead that such tests provide "strong evidence" of system capabilities which must be considered in determining technical acceptability. Id.; Digital Equipment Corporation, B-183614, January 14, 1976, 76-1 CPD 21. The determination of whether a proposal is within the competitive range, particularly with regard to technical considerations, is primarily a matter of administrative discretion which we will not disturb absent a clear indication that the determination lacks a reasonable basis. All Star Dairies, Inc., B-209188, January 31, 1983, 83-1 CPD 107.

Initially, we note that NCR has focused on the IRS's statement of its mandatory requirements in the RFP without apparent regard for the refinements reflected in the OCD test instructions. The RFP clearly described the OCD as a requirement for offerors to "As a minimum, * * * demonstrate * * * the following [selected] CAAPIRS system requirements." We think this language was sufficient--coupled with the generalized wording of some of the RFP's system requirements--to alert offerors to the likelihood that the test materials might contain clarifications or refinements to the RFP requirements.

We think it abundantly clear that NCR--which took the trouble to extract and rewrite the interactive portions of the IRS Fortran programs--was well aware that the OCD required the demonstration of interactive Fortran programs. We are of the opinion that the only reasonable interpretation of the IRS's emphasis in the OCD on the use of interactive programs written in Fortran was that the IRS required as a minimum that the offered Fortran be capable of interactive processing. Consequently, we find that the IRS was reasonable in considering NCR's OCD to be deficient on this point.

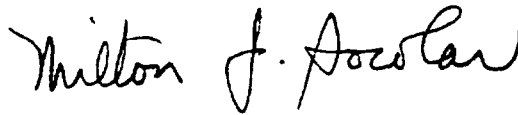
As an allied matter, we will not consider NCR's assertion that the IRS Fortran programs were not compatible with FIPS Pub. 69. NCR had the test materials in its possession for about 8 weeks prior to the test, but failed to raise this question prior to the test date. Therefore, this aspect of NCR's protest is untimely and will not be considered. See Federal Data Corporation, B-208237, April 19, 1983, 83-1 CPD 422, where we said:

"Our Bid Protest Procedures * * * require that protests based on alleged improprieties in a negotiated procurement which do not exist in the initial solicitation but which are subsequently incorporated therein must be protested no later than the next closing date for the receipt of proposals following the incorporation. When the alleged improprieties contain the ground rules or requirements for benchmarking, the next closing date is the date set for benchmarking."

In some degree, we agree with NCR that the RFP could have been clearer in stating IRS's requirement for an editor; certainly, it would have been better for IRS to state plainly that it required a full-screen editor rather than rely on disconnected language appearing in different parts of the RFP to establish this need. Nonetheless, we think that NCR ignores the instructions for the OCD when it asserts that its "two-program" approach to test No. 8 was acceptable. In our view, these instructions clearly contemplate the two parts of test No. 8 as separate demonstrations of a single editing program--the first part on program files and the second part on data files. Therefore, we find that the IRS had a reasonable basis for its assessment of NCR's demonstration.

We have held previously that an offeror's failure to demonstrate the ability to satisfy mandatory minimum requirements of a solicitation is a sufficient basis to exclude that offeror from further participation in the competition. NBI, Inc., supra. On the other hand, we have in the past found that where the failure occurs in the course of a benchmark, the agency has a duty to point out the failure and permit the offeror to rerun that portion of the benchmark to see if it can be completed successfully. The Computer Company--Reconsideration, B-198876.3, January 2, 1981, 81-1 CPD 1. The IRS offered NCR the opportunity to rerun the OCD, but NCR refused.

In these circumstances, we think the IRS was reasonable in excluding NCR from the competitive range. The protest is denied.

for 
Comptroller General
of the United States