

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

26882

FILE: B-210709.2**DATE:** November 18, 1983**MATTER OF:** Informatics General Corporation--
Request for Reconsideration**DIGEST:**

Prior decision holding that an agency could properly exclude protester's excessively priced proposal from the competitive range without further discussions is affirmed where record shows that all offerors were afforded an opportunity to revise their cost proposals and protester's costs remained excessive.

Informatics General Corporation requests reconsideration of our decision in Informatics General Corporation, B-210709, June 30, 1983, 83-2 CPD 47. In that decision, we denied Informatics' protest of the exclusion of its proposal from the competitive range under request for proposals (RFP) No. DTOS59-81-R-00144, issued by the Department of Transportation for teleprocessing services. The prior decision is affirmed.

The proposal was found to be technically acceptable but so far out of line with other offers with respect to price that it was rejected without negotiations. Among other things, Informatics, the incumbent contractor, contended that the awardee, Boeing Computer Service Company (BCS), had been permitted to modify its proposal prior to the determination of the competitive range. While the agency conceded that all offerors were asked for clarification of their price proposals prior to the competitive range determination, it denied that any offer was changed or determined to be unacceptable as a result of these clarifications. We stated that an affidavit submitted by Informatics which contained information to which Informatics was not privy did not provide sufficient grounds to doubt the agency's denial.

027278

Informatics now contends that this issue was not adequately considered in our initial decision and its request for reconsideration asks that we review the agency's evaluation record to determine the validity of its allegation that discussions were held with BCS prior to the determination of competitive range.

We have therefore reviewed the cost evaluation record as it pertains to the BCS price proposal. This record indicates that, in accordance with the procedures set out in the solicitation, the agency first reviewed the price proposals for completeness and accuracy and to determine which areas in these proposals needed clarification or verification. The agency then sent letters to all offerors, including BCS and Informatics, stating that their price proposals had been evaluated but that before the final analysis could be made, the offerors must address the area specified in the documents attached to each letter. The letters further stated that the failure to address these areas could result in the offeror's proposal being removed from further consideration and that "any revisions or amendments" must be received by the agency not later than November 19, 1982.

The enclosure attached to the letter sent to Informatics identified two cost tables which the agency believed contained arithmetic errors. Informatics corrected one of them and stated that the other was correct as initially submitted.

The enclosure to the letter to BCS identified four cost tables in which the contracting officer found or suspected errors. For example, BCS's proposal in one of the cost tables showed no charge for remote job printing at the contractor's site, which indicated to the agency that BCS had assumed erroneously that the printing would be performed in the agency's facilities. Another area of concern was the pricing of desirable software on a unit basis rather than on the required annual basis. Also, in response to the agency's expressed concerns, BCS corrected its cost tables to reflect the overnight rates for deferred batch processing rather than the lower weekend rates and it calculated the cost of disk storage on a 365 day annual rate rather than the 360 day annual rate used in its initial

B-210709.2

proposal. As a result of these price revisions, the evaluated price of BCS's proposal was increased by \$940,964.

We agree with Informatics that discussions were held with BCS before the competitive range was established and Informatics' proposal was rejected. However, we do not agree that Informatics should have been allowed to submit a best and final proposal as a result.

Discussions occur when an offeror is given an opportunity to revise or modify its proposal or when the information provided is essential for determining the acceptability of the proposal. See Alchemy, Inc., B-207338, June 8, 1983, 83-1 CPD 621. Here, pre-competitive range discussions were conducted with all offerors, including Informatics, and all were given the opportunity to modify their cost tables. After these discussions, the agency determined that Informatics' proposal no longer had a reasonable chance for award because of its excessive price. We find nothing unfair in this process; nor do we find that the agency had any obligation to enter into further discussions with Informatics merely because BCS's price revisions were more extensive than those made by Informatics.

Our initial decision is affirmed.

for *Harry R. Van Cleave*
Comptroller General
of the United States