

DECISION

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

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FILE: B-214867**DATE:** July 24, 1984**MATTER OF:** Neshaminy Valley Information
Processing, Inc.**DIGEST:**

1. Agency may appropriately consider software conversion costs where they are listed as an evaluation factor and where the estimates accurately reflect the government's costs. Allegation that software conversion estimates are unreasonably high is denied where protester has submitted no evidence to dispute the assessment.
2. Allegation that assessment of conversion costs unduly restricts competition and favors the incumbent contractor is denied where conversion cost assessment accurately reflects estimate of costs to be incurred by the government for converting current system to new system.

Neshaminy Valley Information Processing, Inc. (NVIP), protests any award under solicitation No. 00-84-R-7 issued by the United States Department of Agriculture (USDA) for teleprocessing services to be provided to the Statistical Reporting Service. The solicitation states that software conversion costs will be considered in the evaluation of proposals. NVIP contends that the assessment of conversion costs is improper because it restricts competition and that the amount to be assessed in this instance is unreasonable.

We deny the protest.

Initially, we note that USDA argues that NVIP is not an interested party within the meaning of our Bid Protest Procedures since NVIP did not submit a proposal. We disagree. Where, as here, a protester contends that it was prevented from submitting an offer due to restrictive specifications, the protester has a substantial enough

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economic interest at stake to be considered an interested party under our Bid Protest Procedures, 4 C.F.R. § 21.1(a) (1984). See S.A.F.E. Export Corporation, B-207655, Nov. 16, 1982, 82-2 C.P.D. ¶ 445. Accordingly, we will review the merits of the protest.

The conversion costs at issue are the anticipated costs USDA will incur in converting the existing software to any new system. To determine these costs, USDA requested the General Services Administration Federal Conversion Support Center (FCSC) to perform a software conversion study. An initial report was submitted to USDA and made available to all offerors requesting a copy. As a result of comments from interested parties, a number of changes were made and a final report was submitted. Based on that report, USDA estimated that the total conversion costs for compatible computer systems were \$1,413,901 and for noncompatible computer systems were \$2,264,210. Compatible computer systems were defined as those systems whose mainframes internally process information with an IBM compatible code and operating system. All other computer systems were defined as noncompatible.

NVIP argues that the assessment of conversion costs penalizes every offeror except the incumbent and precludes full competition. NVIP contends that there are many other firms that would compete for this requirement but for the assessment of conversion costs. In addition, NVIP questions the validity of the mathematical model employed by the FCSC in developing the estimates.

To the extent NVIP is contending that software conversion costs should not be considered at all in the evaluation of proposals, we find this argument to be without merit. Our decisions have recognized that procuring agencies may appropriately consider software conversion costs where they are listed as an evaluation factor in the solicitation and where the estimates accurately depict the government's costs. System Development Corporation and International Business Machines, B-204672, Mar. 9, 1982, 82-1 C.P.D. ¶ 218; Federal CSS, B-190708, Jan. 24, 1979, 79-1 C.P.D. ¶ 46. See also Federal Procurement Regulations (FPR), 41 C.F.R. § 1-4.1109-13 (1983). Accordingly, we find no basis to object to the evaluation of software conversion costs in this procurement.

With respect to NVIP's allegation that the conversion estimates are unreasonably high, we note that NVIP has not pointed to any specific calculation deficiency in the conversion estimates. In the absence of such evidence, the record affords us no basis to dispute the assessment. Federal CSS, B-190708, supra, at 6. Moreover, we note that the FCSC is the primary resource for software conversion technology in the federal government with specialized expertise to plan and accomplish conversion studies. FPR, 41 C.F.R. § 1-4.1211 (1983). The mathematical model developed by the FCSC for estimating conversion costs is based upon an analysis of the staffing, machine and miscellaneous resources necessary to accomplish the conversion task. Based on the record, we cannot find the conversion study to be arbitrary or the estimates to be unreasonable.

Regarding NVIP's allegation that the assessment of conversion costs precludes full competition and favors the incumbent, we recognize that the incumbent may have an advantage under these circumstances. However, this does not compel the conclusion that the agency is unduly biased in favor of the incumbent or that the assessment is unduly restrictive of competition. There is no requirement that the government equalize the incumbent contractor's advantage where that advantage is not the result of preferred treatment or other unfair action by the government. GTE Automatic Electric, Inc., B-209393, Sept. 19, 1983, 83-2 C.P.D. ¶ 340. In this regard, we have specifically held that, where the conversion costs represent an accurate depiction of the cost to the government to change contractors, the evaluation of conversion costs does not unfairly favor the current contractor nor is it unduly restrictive of competition. Federal CSS, B-190708, supra, at 7.

for 
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