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DECISION

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

FILE: B-218049 **DATE:** May 21, 1985

MATTER OF: Pacific Northwest Bell

DIGEST:

Agency determination of its minimum needs and the best method of accommodating those needs will not be disturbed absent a clear showing that the decision is arbitrary or otherwise unreasonable. Protester has failed to sustain its burden of proof that agency's determination to require that telephone switching equipment be on-premises was unreasonable.

Pacific Northwest Bell (PNB) protests request for proposals (RFP) No. BM-05-03N issued by the General Services Administration (GSA) for the purchase of a voice/data communication system (VDCS) for the new federal building under construction in Portland, Oregon.

We deny the protest.

PNB argues that section 7.401 of the Federal Acquisition Regulation (FAR), 48 C.F.R. § 7.401 (1984), requires that agencies compare lease versus purchase costs before determining which acquisition method to utilize. PNB contends that leases are readily available in the procurement of telephone equipment and that GSA should not foreclose this option. Also, PNB requests that all specifications unique to customer premises based systems be eliminated and that offers for central office based systems be allowed.

GSA determined that its minimum needs require that the switching equipment be located on the premises of the new federal building and that government ownership of the VDCS is required. GSA states that the new federal building incorporates many "high tech" features and, consistent with this approach, GSA is incorporating the VDCS into the

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overall design of the building and integrating the VDCS with other building systems. In this regard, GSA indicates that the design of the building includes the main telephone room and that heat which dissipates from the switching equipment located there will be stored and used in heating the building. Also, GSA contends that by purchasing the equipment it will be easier to monitor its operation and maintenance and that government ownership will provide greater flexibility and economy in implementing future augmentations to the system.

In addition, GSA argues that section 7.401 does not apply to the present situation since the VDCS will be real property. GSA contends that section 7.401 only applies to the procurement of personal property and that the VDCS is intended to be a permanent fixture to the building. Accordingly, GSA argues that it was not required to conduct a comparative analysis of lease versus purchase costs nor was it required to provide for the submission of lease offers in the RFP.

We have held that the determination of what will satisfy the government's needs is primarily within the discretion of the procuring officials. We will not interpose our judgment for that of the contracting agency unless the protester shows that the agency's judgment is in error and that the requirements unduly restrict competition. Knoll International, B-210256, Mar. 28, 1983, 83-1 CPD ¶ 317. Moreover, we have held that the primary responsibility for drafting specifications that reflect the government's minimum needs belongs to the contracting agency and we will not object in the absence of evidence of a lack of a reasonable basis for the challenged requirement. General DataComm Industries, Inc., B-209531, Apr. 15, 1983, 83-1 CPD ¶ 410.

The RFP indicates that the new building under construction has been designated a model state-of-the-art high technology building. In developing the requirements for this building, the record shows that GSA determined that its minimum needs required that the VDCS be purchased and also that the switching equipment be physically located at the new federal building. With respect to the latter requirement, GSA determined that a customer premises based system was more advantageous and was necessary in view of GSA's decision to incorporate the system into the design of the building and with other building systems.

In this regard, section C-2r of the RFP states that the VDCS shall be capable of providing access to other

building computers such as the building system lighting computer. GSA indicates that this is but one example of its interest to integrate the total work environment and that such an approach requires that the VDCS be a part of the building rather than a centrally based office system.

Contemporary VDCS devices are basically computers controlled by software. As a consequence, moving a telephone, for instance, is a simple matter of plugging the telephone into a wall jack and, from a computer terminal, reassigning the telephone number to the new location without requisition to and coordination with a central office facility. Such systems also normally include management programs which can provide reports, as needed, on system utilization and resources to identify, for instance, unused or little used lines for elimination or reallocation which can be accomplished almost immediately from a terminal, or, in some instances, to customize the availability of services or features, such as call waiting or voice mail, on an almost immediate basis to meet user requirements. While some, or potentially even all, of these capabilities could be available through central office facilities, subject to tariff restrictions, a customer premises based system allows on-site switching and customer control over the various systems controlled by the VDCS. Central office facilities, on the otherhand, have generally not provided users the immediacy and flexibility of monitoring and response that is available to manage an on-premises VDCS since coordination with a central office facility is necessary.

PNB has generally argued that all of GSA's communication needs could be satisfied by an off-site system. However, in our opinion, PNB has not shown that GSA's justifications for requiring an on-site system are unreasonable nor has PNB demonstrated that all the RFP's requirements which are unique to an on-premises system are unreasonable. Based on the record, we believe GSA has established prima facie support for its determination to acquire an on-premises system. Although PNB disagrees with this determination, we conclude that PNB has failed to sustain its burden of showing that the requirements are clearly unreasonable. Superior Boiler Works, Inc; et al., B-215836, et al., Dec. 6, 1984, 84-2 CPD ¶ 633.

Since PNB admittedly could not offer switching equipment to be installed on the premises of the new federal building, even if we were to find that section 7.401 requires GSA to consider lease offers, PNB would not be able to compete for this requirement. Accordingly, this issue and the remaining issues raised by the protest are academic and will not be considered.

The protest is denied.

Harry R. Van Cleve

Harry R. Van Cleve
General Counsel