

*(Ahearn)*



Comptroller General  
of the United States

Washington, D.C. 20548

# Decision

**Matter of:** Honeywell Regelsysteme GmbH

**File:** B-237248

**Date:** February 2, 1990

Gavin P. Craig, Esq., Honeywell, Inc., for the protester. Cynthia M. Wilke, Esq. and Herbert F. Kelley, Esq., Office of the Judge Advocate General, Department of the Army, for the agency. M. Penny Ahearn, Esq., and John M. Melody, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

## DIGEST

1. Protest that procuring agency improperly determined protester's proposal non-compliant with solicitation requirement is denied where protester's interpretation of requirement is not reasonable or consistent with solicitation as a whole.
2. Agency conducted meaningful discussions where it directed protester to area in which its proposal was non-compliant with minimum solicitation requirement; procuring agency is not required to notify offerors of deficiencies remaining in their best and final offers or conduct successive rounds of discussions until such deficiencies are corrected.

## DECISION

Honeywell Regelsysteme GmbH protests the award of a contract to Otis Gebaeude Management, under request for proposals (RFP) No. DAJA37-89-R-0284, issued by the Department of the Army for computer-based energy and utilities management systems for buildings. The protester primarily contends that the agency improperly determined its proposal non-compliant with a solicitation requirement.

We deny the protest.

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The RFP contemplated award of a firm, fixed-price contract with cost reimbursement for equipment purchase for the installation, testing, and servicing of computer-based energy and utilities management systems, known as Utility Energy Monitoring and Control Systems (UEMCS). These systems will operate and maintain connected building utilities such as electrical, air conditioning, heating, sewer, and water supply.

The RFPs performance work statement (PWS) required the UEMCS to consist of a central station and two island systems, each at a different location, and each system to be "of different manufacture." The interpretation of the requirement for "different manufacture" is at issue here. As explained in the RFP, the purpose of the requirement is to test the effectiveness of a recently developed standard data communications protocol (rules for communications between different computers or computer peripherals) for building monitoring and control equipment, known as Firm Neutral Data Transmission (FND), which will provide for communications between the central station computer performing the monitoring functions and the island systems providing local control.<sup>1/</sup> In this regard, the RFP required each of the three systems to contain an FND "gateway," known as an FND interface adapter, which is comprised of a combination of hardware and software; essentially, these interfaces act as translators to enable systems that utilize different communications protocols to communicate between themselves utilizing the FND protocol. The PWS specifically provided that "it is necessary for the systems to be of different manufacturers in order to demonstrate and test the FND concept," since "systems from the same manufacturer would not produce an effective demonstration." In other words, the agency's purpose for the requirement is to demonstrate that three different manufacturers' systems, using three different proprietary communications protocols, can be interconnected by means of FND interface adapters utilizing the FND standard communications protocol.

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<sup>1/</sup> The agency explains in its report that the lack of a standard data communications protocol has been a continuing problem in the UEMCS industry because manufacturers of UEMCS components often use proprietary data communications protocols which preclude interconnection of UEMCS components from more than one manufacturer. The FND communications protocol will alleviate this problem by permitting the interconnection of and communications between UEMCS components of different manufacturers.

The RFP notified offerors that the basis for award would be an integrated assessment of criteria designed to determine which proposal offers the greatest value. It specified the evaluation criteria, in descending order of importance, as technical, management/past performance, and price. The RFP advised that except for price, a numerical scoring system would be established for evaluation purposes. It provided that the technical criterion would be considered three times as important as management/past performance and price would be considered the least important of the three areas.

The agency received six offers. The Source Selection Evaluation Board (SSEB), however, determined that the offers could not be evaluated and point-scored, because they failed to clearly demonstrate compliance with the technical provisions of the RFP, and that additional information was necessary for evaluation. The contracting officer then met with all offerors, advised them of the deficiencies in their proposals, and requested resubmission of offers in accordance with the RFP requirements. As part of these discussions, the contracting officer issued a letter to the protester, dated August 14, 1989, listing specific deficiencies in the firm's proposal. Among other items, the contracting officer advised the protester that there appeared to be a lack of understanding as to the scope of the project and explained that:

"The FND Demonstration Project requires a single contractor to furnish and install three (3) fully functional systems, a UEMCS Central Station and two (2) separate stand-alone DDC island systems, each of which is provided with a FND interface and which are interconnected by a FND communication network. Since the purpose of the demonstration project is to test the FND network, each of the three systems must be of different manufacture and also utilize different internal communication protocols. No more than one of the three systems can be from the standard product line of your firm."

Three of the offerors, including the protester and Otis, submitted responses to the contracting officer. While the protester's response stated that it was offering three systems from different manufacturers, upon review, the SSEB determined that both the protester's and Otis' proposals still lacked sufficient detail to demonstrate technical compliance with the RFP requirements. During ensuing discussions, the contracting officer, by letter dated September 6, noted additional deficiencies in Honeywell's

proposal. The protester responded on September 9 with a written statement that it "noted and agreed" with the RFP provisions cited as deficient by the contracting officer. The contracting officer then requested best and final offers (BAFOs) from Honeywell and Otis.

The SSEB scored Otis' BAFO 15 percentage points higher than the protester's in the technical area, with a 72.8 percent score versus a 57.5 percent score, and slightly higher in the management area, 68.2 percent compared to 67.2 percent. Honeywell's BAFO price (\$464,015), however, was lower than Otis' (\$675,356).

Generally, Honeywell was marked down for lack of sufficient data on the area at issue here, the FND interface adapters. Specific evaluation comments indicate that the data provided by Honeywell was viewed as not assuring the agency that the central station would have a data communications protocol different from one of Honeywell's island stations, contrary to the underlying purpose of the procurement to test the ability of different protocols to communicate between themselves utilizing the FND protocol. While Honeywell's proposal nevertheless was determined technically acceptable at the time of evaluation, a subsequent (after the protest was filed) detailed review of the proposal by the SSEB resulted in a determination that a major deficiency in Honeywell's proposal in fact rendered the proposal technically unacceptable; specifically, the agency determined that Honeywell's proposed equipment for both the central station and one of the island stations included FND interface adapters of Honeywell's own manufacture, and thus violated the requirement for equipment of separate manufacturers.

On September 28, 1989, pursuant to the recommendation of the SSEB the contracting officer made award to Otis based on the technical superiority of its offer, which was determined to outweigh the lower price offered by the protester. In addition, the contracting officer determined that the protester's final price (\$464,015), which had been drastically reduced from its initial price (\$706,557), was unrealistic and indicated a lack of understanding of the requirement.

In its protest, Honeywell acknowledges that it offered equipment of its own manufacture for the FND interfaces (which Honeywell terms communications devices) for both the central station system and one of the island systems. Nevertheless, Honeywell argues that its offer was compliant with the RFP since it reads the different manufacturer requirement as requiring only that the control systems be manufactured by different companies, not that the FND

adapter interfaces of each system be manufactured by different companies. Further, the protester complains that during discussions the agency failed to question the firm's use of two manufacturers for the FND adapter interfaces; according to the protester, it was not until after the protest was filed that the agency indicated that this aspect of the firm's proposal was deemed a major deficiency.

The Army responds that the requirement that each system be of different manufacture meant that all the components of each system, including hardware, software, and related controls, were required to be from a different manufacturer. Accordingly, the agency maintains that Honeywell's offer of components from the same manufacturer in two of the three systems was non-compliant with the requirement that each system be of different manufacture.

Honeywell's protest is based on its interpretation of the RFP requirements. Where, as here, a dispute exists as to the actual meaning of a solicitation requirement, we will resolve the matter by reading the solicitation as a whole and in a manner that gives effect to all provisions of the solicitation. Aerojet Ordnance Co., B-235178, July 19, 1989, 89-2 CPD ¶ 62. To be reasonable, an interpretation must be consistent with the solicitation when read as a whole and in a reasonable manner. Id. Applying this standard here, we find that Honeywell's interpretation of the different manufacturers requirement is not a reasonable one.

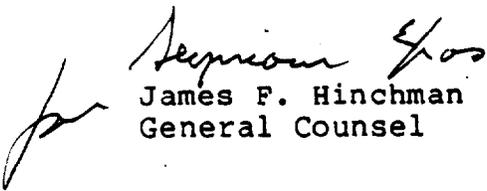
The specifications in the PWS included the FND interface adapter as a component of each of the three systems. Since the RFP does not exempt from the different manufacture requirement certain components of each system, and the offered systems were comprised of components, in our view, the only reasonable interpretation of the different manufacturer requirement is that all of the components of each system, i.e., each entire system, be from a different manufacturer. Further, we believe this is the only interpretation consistent with the explanation in the RFP of the purpose of the different manufacturer requirement, i.e., to test the effectiveness of the FND communications protocol among different manufacturers' equipment. Honeywell's interpretation of the RFP would have nullified the purpose

of the procurement.<sup>2/</sup> Accordingly, we have no basis to question the agency's determination that the protester's proposal was non-compliant in this area.

With respect to Honeywell's challenge to the adequacy of discussions, we note that agencies are not required to afford offerors all-encompassing discussions but, rather, need only lead offerors into areas of their proposal considered deficient. Biological Research Faculty & Facility, Inc., B-234568, Apr. 28, 1989, 89-1 CPD ¶ 409. We think the agency's August 14 letter, which specifically pointed out that there appeared to be a misunderstanding as to the different manufacturers requirement and further explained the requirement, sufficiently led Honeywell into the area of its proposal that did not comply with the different manufacturers requirement. While the Army could have provided Honeywell with more specific information, the Army's reference to the deficient area was sufficient under the above standard.

Finally, the protester contends that Otis' proposal did not meet a requirement for system expandability. The agency responds that the equipment offered by Otis is capable of expansion to the extent required, and we find nothing in the record indicating otherwise. We thus have no basis to question the agency's evaluation in this regard.

The protest is denied.

  
James F. Hinchman  
General Counsel

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<sup>2/</sup> The protester contends that Otis also offered FND interface adapters from only two manufacturers. The record however, gives no indication that each of Otis' offered systems would include anything other than components of different manufacturers, unlike Honeywell's offer which indicated otherwise.