Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: AT&T Corporation

File: B-270841; B-270842: 270843

Date: May 1, 1996

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David S. Cohen, Esq., Carrie B. Mann, Esq., Cohen & White; and George Affe, Esq., and Ronald Fouse, Esq., Sprint Communications Company, L.P., and Carl L. Vacketta, Esq., Richard P. Rector, Esq., Kevin P. Mullen, Esq., Holly Emrick Svetz, Esq., Piper & Marbury, MCI Telecommunications Corp., the intervenors.
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DIGEST

Protest that three solicitations for the components of a telecommunications network should be amended to permit offerors to submit, and have evaluated, single, integrated proposals responding to all of the agency's requirements in a single proposal is denied where record shows that multiple proposal, multiple contract approach is necessary for agency to assure that its minimum needs are met.

DECISION

AT&T Corporation protests the terms of requests for proposals (RFP) Nos. DCA200-95-R-0129, DCA200-95-R-0137 and DCA200-95-R-0068, issued by the Defense Information Systems Agency (DISA). The three solicitations were issued for three components of the Defense Information System Network (DISN), a telecommunications system providing end-to-end common user, switched voice and video, and dedicated data service in support of Department of Defense (DOD) command, control, communication and intelligence (C3I) requirements. AT&T principally argues that DISA has arbitrarily refused to allow offerors to submit, and have evaluated, single proposals as an alternative to individual proposals under each RFP.

We deny the protests.

BACKGROUND

Under a previous contract, the Defense Commercial Telecommunications Network (DCTN) contract, which was awarded in 1984, AT&T provided DOD with a leased telecommunications system to support DOD C3I requirements, within the continental United States and locations abroad. The DCTN contract expired on February 29, 1996; prior to that date, DISA awarded the DISA Transition Contract (DTC) to AT&T as an interim measure until the award of DISN contracts.[1]

Since the award of the DCTN contract in 1984, there have been substantial changes in the telecommunications industry, including the effects of the divestiture of AT&T, and the emergence of new technologies involving the blending of the telecommunications industry and the information services industry. According to DISA, its plan is to hold competitions for each of several components of the network resulting in multiple contracts. Thus, the DISN will consist of multiple contracts awarded at different times under four acquisitions:

(1) The DISN Switched/Bandwidth Manager Services CONUS contract. The bandwidth manager services contractor will provide the capability to switch network traffic[2] at 12 service delivery points (SDP) and provide bandwidth managers at 34 government specified SDPs.[3] In addition, the contractor will provide network management services and share network coordinating functions with other network contractors. DISA intends to award one bandwidth manager services contract based on a best value evaluation. The contract is to be for a 3-year term, with six 1-year options. Proposals were required to be submitted by January 2, 1996, and the award is anticipated by August 1, 1996.

(2) The DISN Transmission Services-CONUS contracts. DISA intends to award one or more contracts for access transmission services and backbone transmission services. Access transmission services contracts will provide transmission lines

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[1]In a previous decision, Sprint Communications Co., L.P., B-262003.2, Jan. 25, 1996, 96-1 CPD ¶ 24, we denied a protest concerning the award of the interim contract to AT&T.

[2]"Traffic" is the flow of information in a telecommunications network and a telecommunications "switch" is essentially a computer system that routes or directs traffic to the desired location.

[3]Bandwidth managers essentially link transmission facilities (or transmission lines) within a telecommunications network.

between DOD facilities and the network. In addition, video networks, discussed below, will be connected to the network via such access lines. DISA has broken access transmission services into eight geographic regions and intends to award from one to eight contracts for such services on a technically acceptable, lowest-priced basis. The backbone transmission services contractor will provide wideband network level transport facilities that will connect all bandwidth managers and switches provided under the bandwidth manager services contract. DISA intends to award a single backbone transmission services contract also on a technically acceptable, lowest-price basis. The transmission services contracts are to have 1-year base terms, with eight 1-year options. Proposals were required to be submitted by March 1, 1996, and the award is anticipated by October 15, 1996.

(3) The DISN Video Services-Global contract. The video services contractor will provide dial-up video teleconferencing through three video network hubs located in different geographic regions within the continental United States. The access transmission services contract(s) discussed above will provide access transport from the video network hubs to the network and the backbone transmission services contracts will provide network transport support for the video service within the network. DISA plans to award one video services contract based on a best value evaluation. That contract is to have a 3-year base term, with two 1-year options. Proposals were required by April 15, 1996, and the award is anticipated by December 15, 1996.

(4) The DISN Support Services-Global contract. The support services contractor will provide support, on a time-and-materials basis, for engineering, operations, hardware and software maintenance, integrated logistics support planning, management information systems, network management, provisioning, and other functions.

AT&T has protested the solicitations for the first three acquisitions.[4]

In amendments to the RFPs, DISA released the following contractor question and agency answer:

> Question: "What is your concept of 'linked bids?'"
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> Answer: "Numerous comments were received during the draft DISN RFP phase stating that significant economies could be realized if the

[4]The support services solicitation contains a conflict of interest clause which prohibits the support services contractor and subcontractors from acting as a prime contractor or subcontractor on any of the other procurements; AT&T has no plans to submit a proposal under that solicitation.

> government used a total services approach (i.e. all elements of DISN in one contract) versus the three separate contract approach. The Government has no basis to make any judgment concerning these comments. However, by staggering the acquisition process for the three solicitations, a path is provided to offerors which will allow for these economies to be demonstrated in their pricing proposals. This path is termed as the 'linked bids concept.'"

In subsequent amendments, DISA explained that under the linked bid approach the awardee of the bandwidth manager services contract would be able to propose prices on the later solicitations that take into consideration the fact that it had won the bandwidth manager services contract. According to DISA, this opportunity will exist because best and final offers for the second solicitation will be required only after the award under the first solicitation. Subsequent solicitation amendments explained:

> "Each solicitation stands on its own and proposals must fully satisfy each requirement as they are set forth in the applicable RFP. Any offer which includes a contingency stating essentially that acceptance of their proposal for the [bandwidth manager services] is contingent upon also having a successful offer for the [transmission services] or [video services] shall be rejected."

PROTEST ALLEGATIONS

In its initial protest submission, AT&T raised two issues.[5] First, AT&T argued that DISA should amend the three solicitations to permit offerors to submit, and have evaluated, single "proposals to supply all of the services in the [DISN] Network to the government under a single integrated contract." As AT&T otherwise stated, "AT&T could put forth its most advantageous proposal for the required [network] services in the context of a single proposal offering a complete set of integrated services meeting all requirements set forth by [DISA]." AT&T maintained that an integrated proposal would provide the government savings of at least $1.5 billion and would provide a superior technical solution compared to DISA's current approach. Second, AT&T argued in its initial protest submission that DISA had violated law and regulation by structuring the network based on design specifications--as opposed to functional specifications--that exceed the agency's minimum needs and will not result in the most technically superior and cost effective solution to meeting DOD's telecommunications requirements. Specifically,

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[5]In a third issue, AT&T argued that the bandwidth manager services solicitation included impermissibly vague requirements and ambiguous specifications. After DISA amended the solicitation, AT&T withdrew this allegation.

AT&T challenged solicitation requirements concerning the number and geographic location of bandwidth managers and switches; the type, capacity, and geographic location of transmission facilities; and the type and geographic location of video hardware and software.

Based on the protest, and a subsequent response to a request for dismissal of the protest, we understood AT&T's protest to be seeking a recommendation that DISA delete the detailed design requirements set forth in the three solicitations and instead set forth broad functional requirements which each offeror could respond to in the manner it chose, either in individual proposals under each solicitation or in single proposals responding to all three solicitations. Under that approach, an offeror would be free to design a network to meet the agency's functional requirements making maximum use of its own telecommunications infrastructure. According to AT&T, the agency's refusal to allow it to submit such a proposal is "prejudicial to AT&T" and unduly restrictive of competition because it handicaps AT&T's ability "to compete to [its] full potential," and "robs AT&T of its ability to leverage its broad capabilities and submit its most competitive proposal."

In its comments on the contracting agency's protest report, AT&T maintained these two issues.[6] Also in its comments, for the first time, AT&T suggested that the integrated solution that DISA should permit could provide for recompetition of the components of the network in the option years.

After maintaining these positions through its protest, its response to the dismissal request, and its comments on the agency report, in response to a supplemental submission from the agency AT&T changed its position. Eleven weeks after the protest was filed, AT&T narrowed the relief which it was seeking on the first count of its protest. Specifically, in its supplemental response, AT&T stated,

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[6]AT&T also argued,

> "the second count of AT&T's protest [concerning the restrictiveness of design specifications] is inextricably linked with the first count. [DISA] correctly states that, once it decided to adopt the piecemeal procurement method, it had little option but to adopt some form of the restrictive specification challenged here. . . . However, [DISA] fails to recognize that this is an admission that its decision to adopt a piecemeal approach amounted to a decision to utilize a restrictive design specification which imposed on the agency the responsibility to take even greater care to make sure that the piecemeal approach itself was necessary to satisfy its needs within the meaning of [the Competition in Contracting Act of 1984]."

> "it has always been the essence of AT&T's protest that the 'integrated' proposal to which [AT&T] refers is an integrated version of the identical requirements applicable to the separate [network] solicitations . . . for the same contract components, with the same base terms and same option years . . . as involved in the separate proposals for the pieces now being solicited by [DISA]."

Also in that submission, AT&T stated,

> "[the] integrated approach that AT&T seeks in this protest is merely the opportunity to submit to [DISA] as an alternative to the agency's current piecemeal approach, a single proposal for all [network] services called for under the individual solicitations, which single proposal would be responsive to all the provisions in those solicitations-including their various technical specifications, various terms and conditions, and options-and detail for the agency all the benefits inherent therein."

AT&T essentially repeated this explanation of its current position at the hearing held on this protest and in its post-hearing comments. At the hearing, an AT&T official testified that AT&T is "seeking . . . the right to prepare an integrated proposal that could then be compared with other integrated proposals or other multivendor proposals, just as the solicitation exists today. We are not looking for anything that would change the scope of the contracts involved." Hearing Transcript (Tr.) at 46. In addition, this same witness testified that "[t]he protest turns upon our being able to provide an integrated solution proposal in response to the government's architecture and design as specified. If you were to ask me the question would we prefer to do it in our normal manner, the answer is clearly yes, but that's not the relief we're looking for right now." Tr. at 49. However, in spite of the assertion that it was seeking only this limited relief, in its post-hearing comments, AT&T stated that it still maintains "[c]ount two of its protest," concerning "the many architectural restrictions imposed by the challenged solicitations. . . ."

ANALYSIS

The governing statutes and regulations allow contracting agencies broad discretion in determining their minimum needs and the appropriate method for accommodating them. See 10 U.S.C. § 2305(a)(1)(A) (1994); Federal Acquisition Regulation §§ 6.101(b) and 7.103(c). Government procurement officials, who are familiar with the conditions under which supplies, equipment, or services have been used in the past, and how they are to be used in the future, are generally in the best position to know the government's actual needs, and therefore, are best able to draft appropriate specifications. Gel Sys., Inc., B-234283, May 8, 1989, 89-1 CPD

¶ 433. Although an agency is required to specify its needs in a manner designed to achieve full and open competition, and is required to include restrictive provisions or conditions only to the extent necessary to satisfy its needs, without a showing that competition is restricted, agencies are permitted to determine how best to accommodate their needs, Mine Safety Appliances Co., B-242379.2; B-242379.3, Nov. 27, 1991, 91-2 CPD ¶ 506, and we will not substitute our judgment for that of the agency. Simula, Inc., B-251749, Feb. 1, 1993, 93-1 CPD ¶ 86; Purification Envtl., B-259280, Mar. 14, 1995, 95-1 CPD ¶ 142.

Here, we conclude that the decision to solicit proposals to meet the network requirements under three solicitations and to refuse to accept consolidated proposals for all of the requirements of the network is unobjectionable. First, most of what AT&T complains about simply amounts to an assertion that the agency's requirements would be better met by other means. Second, while the agency's approach, in particular the "linked bids concept," may impose significant risks upon AT&T and other offerors in preparing their proposals and performing contracts awarded under the solicitations, we believe the agency has the discretion to impose such risks. Finally, to the extent that the agency's chosen approach may be restrictive of competition, we conclude that DISA has justified the restrictions as necessary to meet its minimum needs.

For the most part, AT&T is simply arguing that permitting offerors to submit integrated proposals would better serve the government's needs because it would result in a less costly and technically better network solution. For example, AT&T maintains that DISA can secure the "true best value" only by permitting offerors to submit single proposals on all of DISA's requirements. Specifically, AT&T contends that by permitting "integrated" proposals, the government could save at least $1.5 billion over the cost of DISA's current approach. According to AT&T, the $1.5 billion cost savings includes: (1) [deleted] over the life of the program by eliminating the need for local channel access circuits to interconnect the transmission service contractor's (or contractors') points-of-presence to the bandwidth managers service contractor's points-of-presence in each of 34 contractually specified locations; (2) [deleted] in duplicative network management costs; (3) [deleted] in "hidden" internal administrative costs; and (4) [deleted] under the support services contract.

AT&T also asserts that permitting proposals on an integrated basis would result in a superior technical solution--compared to DISA's current approach--because an integrated approach would best ensure an efficient, interoperable network; fewer service disruptions by reducing the number of access circuits; minimal "down time" in the network by holding a single contractor responsible for meeting network reliability rates across all network services; expeditious remediation of disruptions; efficient network management; efficient and timely insertion of new services; and maximum end-to-end security.

These contentions simply are not for resolution in this forum. None of these issues involves a restriction on competition. Even if AT&T is correct that DISA's approach will result in additional expense to the government and an inferior technical solution--matters which DISA and two of AT&T's competitors vigorously dispute--the additional expense and the inferior technical solution do not mean that the solicitations restrict competition since, clearly, that result would not be an indication that the government's needs were overstated. Rather, those results would indicate that there might have been better methods of accomplishing the agency's objectives. The agency's judgment as to the best approach to accommodating its needs, however, is within the decisionmaking function of the agency and is not subject to the type of objection raised by AT&T. A&C Bldg. and Indus. Maintenance Corp., B-230270, May 12, 1988, 88-1 CPD ¶ 451; Purification Envtl., supra; Mine Safety Appliances Co., supra.

AT&T also objects to the piecemeal approach because, according to AT&T, the winner of the bandwidth contract will have a significant cost advantage over its competitors on the transmission contract because it would be able to propose to connect its own bandwidth manager and transmission facilities without the need for local channel access circuits. AT&T maintains that the opportunity to avoid the use of these local channel access circuits would give the winner of the bandwidth contract an [deleted] advantage in the competition for the transmission services contract. Also, according to AT&T, "[a]n offeror for the bandwidth manager contract also has to take into account in making an offer for [that] contract the risk that it may be saddled with a losing contract if it wins bandwidth but, for some reason, the transmission contract opportunity is canceled, or the losing offerors convince [DISA] that the playing field must be leveled for all offerors on the transmission contract."

An agency may properly impose substantial risk upon the contractor and minimal risk upon itself, and offerors reasonably are expected to use their professional expertise and business judgment in anticipating risks and preparing their offers. J & J Maintenance, Inc., B-244366, Oct. 15, 1991, 91-2 CPD ¶ 333. Here, the risks which the solicitations impose on offerors appear to affect all offerors equally and all offerors are equally capable of taking those risks into account in preparing their proposals. It is within DISA's discretion, in the exercise of its business judgment, to impose those risks.[7]

The remaining element of AT&T's protest is the allegation that the solicitations are restrictive of competition because they prevent AT&T from "compet[ing] in the ordinary course of business" and in its "customary and most efficient manner." See

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[7]DISA and AT&T's competitors also dispute the risks imposed by the solicitations as currently structured. [Deleted].

New York Tel. Co. et al., 69 Comp. Gen. 61 (1989), 89-2 CPD ¶ 435. Specifically, as AT&T explains, in its "customary and most efficient manner" of competing for a telecommunications network contract, the customer provides AT&T and other offerors with the customer's broad functional requirements for the network, including traffic data that describes the customer's normal calling patterns. AT&T takes this data, and using its extensive network design capabilities, including network design computer programs, and selects an optimal network solution for the customer, from a cost and technical standpoint, making maximum use of AT&T's own telecommunications infrastructure assets.

Here, AT&T alleges that it is prevented from "compet[ing] in the ordinary course of business" in its "customary and most efficient manner" essentially in two ways. First, AT&T cannot make use of its extensive network design capabilities. According to AT&T, DISA's approach "supplants AT&T's customary Network design function, to AT&T's severe prejudice." AT&T explains that network design "always begins with an analysis of customer traffic data followed by an iterative tradeoff analysis of AT&T's commercially available telecommunications infrastructure assets. Through such analysis, AT&T is able to maximize usage of its available assets to provide its most cost-effective and technologically sound Network solutions." (Emphasis in text.) AT&T states that "DISA has totally usurped the Network design function and, in essence, dictated a Network design for the offerors."

Second, AT&T asserts that it cannot make maximum use of its own telecommunications infrastructure assets because the solicitations specify detailed design requirements for the network--including the number and geographic location of bandwidth managers and switches; the type, capacity, and geographic location of transmission facilities; and the type and geographic location of video hardware and software--rather than broad functional requirements. [Deleted].

In response to these contentions, DISA explains that its need for its current approach in part grew out of the agency's experience under the long-term DCTN contract with AT&T. According to the agency, while the DCTN contract served as a satisfactory contractual vehicle in its earliest years, several problems became more evident in the later years of that contract as the rate of technological innovation accelerated with the divestiture of AT&T. As the agency explains, among its principal concerns under the DCTN contract were high prices and sluggish technological innovation.

DISA reports that the initial DCTN prices were based on tariffs created in 1984 when the telecommunications industry was dominated by AT&T and, over the years, DCTN services were priced through tariffs largely insulated from competition. While the DCTN contract provided for negotiation of prices, according to the agency, since the DCTN was a long-term contract with a single provider, the agency had little leverage in such negotiations. Consequently, according to the agency,

price adjustments on the DCTN contract lagged far behind the dramatic fall in competitive prices throughout the telecommunications industry. DISA reports that in a 1995 study, it compared prices for comparable transmission service from three sources: (1) DCTN; (2) FTS2000 (GSA's omnibus contract for federal agencies); and (3) the DISA Acquisition Bulletin Board System (DABBS), a computerized acquisition system used by the agency to competitively award dedicated, also called point-to-point, services based on low price. The agency found the DABBS prices invariably were lower than DCTN prices, usually by a wide margin, and found the cost advantage between DCTN and FTS2000 varied according to the scenario. DISA notes that this study preceded a dramatic decline in FTS2000 rates based on a price recompetition between AT&T and Sprint, the two service providers under that contract.

Concerning technological innovation, DISA explains that when the DCTN contract was awarded in 1984, AT&T was the technological leader in the industry. According to DISA, however, during the intervening years, other vendors, including smaller firms, often have initiated many technological advances. DISA maintains that because it has been locked into a long-term, integrated contract with a single vendor, the agency has been deprived of the prompt infusion of technology which could be obtained in the competitive marketplace. According to DISA, as the lone DCTN contractor, AT&T has had no incentive to provide such new technology unless it conforms to AT&T's overall network and then at higher, non-market prices. As a result, DISA reports that under the DCTN contract AT&T did not provide modernized switches, synchronous optical network (SONET)[8] data transmission and was slow to add other enhancements. Also, according to the agency, negotiations under the DCTN contract concerning technological and/or requirement changes have been burdensome and time consuming.

Thus, DISA's experience under the DCTN contract led the agency to conclude that under a long-term contract with a single vendor providing services the agency has no way to assure that it can gain the benefits of falling prices and that a long-term DCTN-like contract is an inadequate vehicle to permit the prompt infusion of new technology in a period of accelerating technological and/or requirement change. Based on the agency's experiences under the DCTN contract, and as a result of a series of DISA studies of various options available to the agency to replace the DCTN, DISA explains that its principal rationales that support the current multi-proposal, multi-contract approach are:

1. Positive control to support warfighting requirements. According to DISA, it has structured these acquisitions in a multi-contract approach based on discrete

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[8]SONET, using fiber optic cables, is a high-speed, high bandwidth service which enables users to transmit bulky files across wide area networks.

functional components of telecommunication services in order to assure interoperability, integration, surge capacity, technology insertion, security, and government control. DISA maintains that under a single contract approach, the vendor has an incentive to develop a self-contained proprietary network under which the government lacks positive control over network elements needed to ensure that the network is integrated and interoperable with other government networks.

2. Maximize competition. DISA has concluded that the three acquisitions structured in the manner it has chosen will attract additional offerors who may not be willing or able to compete under one large solicitation. For example, DISA notes that the transmission contract is divided into eight regions in the hope that some transmission providers, such as the Regional Bell Operating Companies, which could not compete for a national contract, will compete for regional transmission contracts. DISA notes that the current multi-contract structure provides for frequent options on the transmission services contracts and emphasizes that the strategy of maximizing competition applies to recompetitions for the options as well as the initial acquisition.

3. Incentive for improved contractor performance. DISA maintains that its acquisition strategy for multiple contracts, which may be more easily recompeted in the option years than a large contract with a single vendor, creates an incentive for improved contractor performance.

4. Lower prices. Based on its experience under the DCTN contract and based on the cost comparison study mentioned above, DISA believes that it can achieve lower prices for telecommunication services under an acquisition approach that includes a number of smaller contracts, each of which provides for frequent recompetitions. According to DISA, its strategy was to break the procurements into functional components with discreet and readily identifiable costs. If prices continue to decline within these functional components--as they have since deregulation and the divestiture of AT&T--DISA can achieve commensurate price reductions through negotiations or by recompetitions.

5. Technology insertion. While DISA acknowledges that it is possible to attempt to negotiate technical enhancements with an omnibus contractor, the agency states that it learned from the DCTN contract that such negotiations can be time consuming and ponderous since the vendor has a contract that it knows is difficult to recompete.

6. Maximization of best value. DISA maintains that its acquisition strategy will drive offerors to propose the best value for the government on each of the separate components of the network, not just an average best value for the entire network. As DISA explains, if each offeror can submit a single proposal, structured by the

offeror so as to make the best use of that offeror's infrastructure assets, the offeror might be able to submit an overall best value proposal compared to the sum of the individual proposals of other offerors. Yet, the agency explains, the firm submitting such an integrated proposal could retain some of the cost savings that its integrated proposal creates and need not submit the lowest price for the separate components, so long as it managed to provide an overall best value. In contrast, the agency maintains that under its strategy, each offeror would be forced to aggressively compete for each subsequent contract even if it won the first contract, the bandwidth manager services contract. DISA argues that the winner of the bandwidth manager services contract would need to provide the agency with nearly the full benefits of whatever economies of integration may exist for the three contracts in order to be certain of winning the other contracts.

In summary, DISA argues that accepting integrated proposals would be inconsistent with the agency's minimum needs. Those needs include the requirement for a contract structure that will, among other things, provide for competition both on the initial awards and on the options, as a means of achieving lower prices and technological infusion. In addition, agency officials have explained that the mere presence of frequent options, whether exercised or not, will create greater incentives for contractor performance.

Where a protester challenges a solicitation's provisions as unduly restrictive of competition, our Office will review the record to determine whether the provisions are reasonably related to the agency's legitimate minimum needs. QualMed, Inc., B-254397.13; B-257184, July 20, 1994, 94-2 CPD ¶ 33; Tek Contracting, Inc., B-245454, Jan. 6, 1992, 92-1 CPD ¶ 28. Here, we conclude that DISA has reasonably justified that approach as necessary to accomplish the agency's minimum needs.

The record shows that DISA considered the possible benefits and burdens to the agency of numerous acquisition approaches, some of which resemble AT&T's proposed approach. For instance, in April 1995 DISA considered an approach calling for a single contractor to act as an integrator. According to DISA, that approach did not meet the agency's needs because, among other reasons, it would have locked the agency into a long-term omnibus contract with one vendor during a period of falling prices and rapid technological change in the telecommunications industry. In another example, in an April 1995 DISN Strategy Analysis, DISA compared two approaches: (1) DISA serving as the integrator, with multiple contracts, and (2) integration by a single contractor, with only one separate DISN support contract. DISA states that this was the agency's most direct comparison of a single contractor approach to some combination of multiple contracts. Although neither approach was ruled out at that time, the record shows the agency again was concerned that under the single contractor approach it would be locked in.

AT&T disparages both of these comparisons, arguing that the integrated approaches which the agency considered are not the same as the approach which AT&T advocates in this protest. Given the confusion in the record, as we explained above, concerning AT&T's integrated approach, it is not surprising that DISA can point to no analysis of an acquisition approach identical to AT&T's integrated approach. In addition, although AT&T also argues that the above described analyses considered erroneous comparisons of the costs and potential savings that may result from the various approaches, the alleged errors are beside the point. What is important here is that the record shows that DISA in fact compared various multiple contract approaches to various single contractor approaches and consistently was concerned that a single contractor approach would not meet the agency's minimum needs, as explained above.[9]

Turning to DISA's explanation of its minimum needs, the fundamental requirement of the agency's acquisition strategy is to maximize competition for the various components of the network, both initially and in the option years. The benefits that the agency expects to flow from that competition are listed above. It is DISA's view that the only way to assure real competition for those components, particularly in the option years, is for the agency to control what each of the components includes. As currently structured, the three solicitations, by specifying the design of each of the components of the network, control what each of the network components will include. Thus, permitting AT&T or other offerors to use their network design capabilities in order to propose a network design that makes maximum use of the offeror's own telecommunications infrastructure assets would be inconsistent with DISA's need to assure that competition is possible in the option years. In other

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[9]AT&T also argues that the record demonstrates that prior to the protest the agency never considered the relative benefits of soliciting the type of integrated proposal advocated by AT&T, or whether the purposes that DISA seeks to achieve--positive control, maximum competition, incentives for improved contractor performance, etc.--could also be achieved by soliciting piecemeal and integrated proposals at the same time. We believe the agency has adequately considered the relative merits of AT&T's proposed single contract approach. We first note that in reviewing an agency's decision, we look to the entire record, including statements and arguments made in response to the protest, so that we may determine whether that decision is supportable; we do not limit our review to the question of whether the decision was properly documented at the time it was made. See Allied-Signal Aerospace Co., Bendix Communications Div., B-249214.4, Jan. 29, 1993, 93-1 CPD ¶ 109. Moreover, AT&T apparently would require an agency to demonstrate using only the record created prior to the protest that it had "considered, evaluated and analyzed" precisely the acquisition approach advocated by a protester, even where, as in this case, that approach repeatedly changes throughout the course of the protest. That requirement is simply unreasonable.

words, if DISA allowed offerors to submit single proposals covering all of the requirements of the network, because each vendor submitting such a proposal would design its own network and maximize the use of its own telecommunications infrastructure assets, while it might be possible to compare each of those proposals for purposes of the initial awards, there would be no way to assure that real competition would be possible in the option years. This is so because, if a single vendor initially won a contract for the entire DISN, the network created under that contract would be based on components designed to maximize the use of the awardee's infrastructure assets and those assets, which would be inconsistent with the assets of all other vendors, would present an insurmountable barrier to other vendors winning contracts for components of the network in recompetitions in the option years.

AT&T maintains that DISA is speculating as to the results of a competition between integrated proposals and combinations of piecemeal proposals and argues that such speculation is inappropriate when, as here, the agency can simply solicit both types of proposals and compare them. We have looked unfavorably on an agency's speculating as to the results of competition when the agency could simply solicit and compare competitive proposals in order to determine the best approach to meeting its needs. See Chesapeake & Potomac Tel. Co., 65 Comp. Gen. 380 (1986), 86-1 CPD ¶ 228; The Dept. of the Army, Request for Modification of GAO Recommendation, B-191003, Jan. 9, 1979, 79-1 CPD ¶ 9. However, these cases concerned agency speculation as to the prices that would be submitted in a competition when the actual prices were easily available to the agency by soliciting and comparing proposals. Here, in contrast, the issue is not the prices that various competitors would submit in the initial competition, but the prices which the agency will be required to pay for the services in the option years.

Finally, AT&T argues that, if DISA deems recompetition of the pieces of the network in the option years to be essential to the agency's minimum needs, it "could provide itself the right in its integrated proposal solicitation to recompete any one or all of the three pieces in the option years." AT&T also argues that in addition to specifying that integrated proposals must provide for recompetition of all components in the option years, DISA also could require integrated proposals to meet all other terms and conditions, design specifications and components as set forth in the three solicitations. According to AT&T, since this optional scenario is available to the agency, the agency's refusal to permit integrated proposals is arbitrary.

It is not clear why AT&T did not make this argument until 11 weeks after the closing date for receipt of proposals, since our Bid Protest Regulations do not contemplate the piecemeal presentation or development of protest issues. Litton Sys., Inc., Data Sys. Div., B-262099, Oct. 11, 1995, 95-2 CPD ¶ 215. Nonetheless, we see nothing persuasive about this argument. While it may be possible that the

agency's needs could be satisfied under this scenario as described by AT&T, it is unclear to us what advantages this scenario has over the linked bid approach from the perspective of any offeror, including AT&T. Under this scenario, as explained by AT&T, AT&T would not be able to take advantage of its extensive network design capabilities and it would not be able to maximize the use of its infrastructure assets. Although at the hearing AT&T's representative stated that this scenario "would still be more cost effective" for AT&T than submitting proposals utilizing the linked bid approach, Tr. at 64, we simply do not see why AT&T could not propose whatever economies may be available to it in the context of the linked bid approach as explained by the agency.

The protests are denied.

Comptroller General
of the United States