



The Comptroller General  
of the United States

Washington, D.C. 20548

## Decision

Matter of: Check Technology Corporation  
File: B-223987  
Date: December 23, 1986

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### DIGEST

Solicitation requirements that continuous roll blank paper check stock be used in an integrated checkprinting and document processing systems with post/print verification and that there be no manual intervention from the creation of the checks through the insertion of checks into envelopes are not unduly restrictive of competition where the agency has justified the requirements and protester's alternate approaches do not provide the needed security underlying the requirements.

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### DECISION

Check Technology Corporation (CTC) protests the specifications in request for proposals (RFP) No. DABT60-86-R-0173, issued by the Department of the Army (Army), Fort Eustis, Virginia, for four fully integrated check printing and document processing systems and related services. The systems are required by the Army Finance and Accounting Center (Finance Center), Indianapolis, Indiana. CTC contends that the specifications do not represent the government's minimum needs and describe equipment which can be provided by only one manufacturer.

The protest is denied.

The RFP, issued on July 8, 1986, required the submission of proposals by August 22, 1986. On August 19, 1986, CTC filed a protest with our Office alleging that it was not able to submit an offer because of the restrictive specifications. After learning of the protest, the Army asked CTC to propose its alternative system and offered to extend the due date for proposals by 2 weeks. However, CTC requested, and the Army refused to provide, a written determination that CTC's system would be considered technically acceptable if it were proposed. CTC, therefore, did not submit a proposal. Only one offeror, Data Card Corporation, responded to the RFP.

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The RFP requires that each of the four checkprinting and document processing systems be capable of printing and processing 12,500 checks per hour. Additionally, the RFP requires that the systems utilize continuous roll blank paper check stock that is unbroken and contains 120,000 checks per roll. The RFP specifies that there must be no break in the document flow or any manual intervention from the creation of the check through the insertion of checks and/or supporting documentation into envelopes. The RFP also stipulates that the information from magnetic tapes be printed on checks with impact printers; that checks be signed with signature dies; and that the print meet certain specifications. Further, the RFP requires that contractors certify that their proposed systems have post/print optical verification features, performed by an optical scanner, to assure that checks were prepared correctly.

CTC protests a number of the specifications. CTC contends that the specifications are unreasonably restrictive of competition because it requires four systems capable of processing 12,500 checks per hour instead of allowing a larger number of systems resulting in the same total. CTC complains that the required use of continuous roll blank paper check stock is unduly cumbersome and costly in comparison to CTC's method of using checks printed on single sheets. CTC also protests the requirement for impact printing and signature dies. Finally, CTC argues that optical post/print verification, and, therefore, the optical scanner, is unnecessary with its system because the input data is placed in memory and provides the basis for the print command, thus eliminating the possibility of discrepancies.

When a protester alleges that specifications unduly restrict competition, the procuring agency bears the burden of presenting prima facie support for its position that the restrictions are necessary to meet its actual minimum needs. Marquette Elec., Inc., B-221334, Mar. 13, 1986, 86-1 CPD ¶ 253. This requirement reflects the agency's obligation to develop specifications that permit full and open competition to the extent consistent with the agency's actual needs, 10 U.S.C. § 2305(a)(1). The adequacy of the agency's justification is determined by examining whether the agency's explanation is reasonable, that is, whether the explanation withstands logical scrutiny. Once this prima facie support is established, the burden shifts to the protester to rebut the agency's position by showing that the alleged restrictions are unreasonable. Military Servs., Inc. of Ga., B-221384, Apr. 30, 1986, 86-1 CPD ¶ 423.

The Army Finance Center states that the RFP defines the minimum technology necessary to meet the requirements of the Department of the Treasury, which has regulatory authority over the preparation and issuance of checks, and its need for the efficient, effective and secure issuance of 1.6 million monthly check payments for the Army's active force, Army Reserve, National Guard and retired personnel. While the Army provided detailed support for the protested specifications, the Army basically states that for reasons of security and efficiency of operation, it is essential to acquire integrated systems with no manual intervention. Eliminating manual intervention to the greatest extent possible reduces the risk of delays, loss or theft.

There is no question that CTC's method of utilizing sheets of check paper relies on manual intervention. CTC proposes to use a sheeter that will cut the continuous roll blank checks into sheets that must be manually fed into hoppers, which feed checks into the system, during the processing of checks. CTC contends that this presents no security problem because CTC's system monitors the checks during processing, so that if a sheet of checks is stolen or missing, it would be discovered within an hour and a half. Further, CTC argues that checks could be stolen from a system using continuous roll paper if the operator deliberately jammed the paper and cut checks from the continuous roll.

As mentioned above, there is no question that CTC system requires manual intervention. On the other hand, the clearly stated requirement for continuous roll blank paper check stock entails no manual intervention during the entire processing of checks because 120,000 checks are continuously fed into the system during processing. We believe that CTC's argument that its system's monitoring process is just as secure as the system required by the Army lacks merit. Although CTC's system continuously monitors checks, CTC admits that its reconciliation takes place in 1-1/2 hour intervals. Moreover, it is not clear from the record that this is a continuous monitoring process. While it may be remotely possible that an operator may jam a system to cut checks from a continuous roll, it is more likely that checks may be stolen or misplaced from a stack of "cut-sheet" checks. In the latter case, the person taking checks would not be required to jam the system in order to take checks.

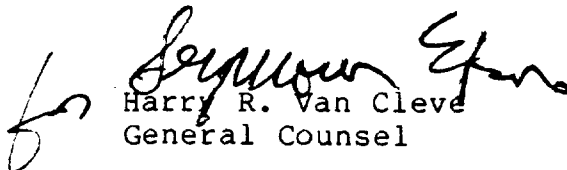
Further, the record indicates that CTC's system is not as efficient as a system using a continuous roll of checks since it would require human intervention to monitor and reload the hoppers. With a continuous roll of 120,000 checks, processed at a rate of 12,500 checks per hour, each system could run for over 9 hours without reloading. This feature would meet the

Army's requirement for the efficient processing of checks, which requirement is not unreasonable considering the 1.6 million checks processed monthly.

In addition, we find that the agency's insistence on an optical scanner to perform post/print verification of the printing on checks is not met by the protester's system which utilizes no post/print verification. Post/print verification is necessary to assure that the printing on checks conforms to the input data provided by magnetic tapes. While CTC argues that its system is foolproof because it prints its data on checks simultaneously, while the information is held in memory, it has not submitted independent evidence confirming its position and never provided the Army with a proposal for its system for evaluation. Absent such evidence, we cannot take issue with the agency's perceived need of post/print verification.

Thus, we find that CTC has failed to meet its burden of showing that the Army's decision to use continuous roll blank paper check stock and an optical scanner, and the agency's requirement that there be no manual intervention during the printing and processing of checks are unreasonable. The fact that CTC was precluded from submitting an offer does not render the specifications unduly restrictive since the specifications reflect legitimate agency needs. Memorex Corp., B-187497, Mar. 14, 1977, 77-1 CPD ¶ 187.

The protest is denied.

  
Harry R. Van Cleve  
General Counsel