**Comptroller General
of the United States**

Washington, D.C. 20548

Decision

Matter of: Aydin Corporation, Computer and Monitor
Division

File: B-237166.6

Date: March 27, 1990

William A. Roberts III, Esq., Howrey & Simon, for the
protester.
James C. Dever III, Esq., Alan F. Lehman, Esq., and
Col. James C. Roan, Jr., Office of the General Counsel,
Department of the Air Force, for the agency.
Linda C. Glass, Esq., and Michael R. Golden, Esq., Office of
the General Counsel, GAO, participated in the preparation of
the decision.

DIGEST

Protester's proposal was properly rejected as technically
noncompliant under North Atlantic Treaty Organization
modified two-step procurement conducted by the Department of
the Air Force where protester was given notice of potential
areas where its proposal did not comply with essential
requirements of the solicitation and failed to correct those
areas.

DECISION

Aydin Corporation, Computer and Monitor Division protests
the rejection of its technical proposal under invitation for
bids (IFB) No. F19628-88-B-0022. The IFB was essentially a
modified two-step sealed bid1/ procurement conducted by the

1/ The two-step process is a hybrid method of procure-
ment under which the step one procedure is similar to a
negotiated procurement in that the agency requests technical
proposals and may hold discussions and request revised
proposals, and step two is conducted by sealed bidding
among those firms that submitted acceptable proposals under
step one. See Datron Sys., Inc., B-220423, B-220423.2,
Mar. 18, 1986, 86-1 CPD ¶ 264. Under this procedure, bids
(continued...)

technical revisions. The modified proposals were to only
address the areas of concern identified by the government.3/

Eight proposals were received by the closing date of
January 11, 1989. In accordance with the modified
international competitive bidding procedures, written
discussions were initiated with all offerors by letters
dated April 13, 1989, which identified potential areas of
noncompliance. The responses to the clarification requests
were received from all offerors and together with the
information contained in the original proposals, were
evaluated to determine each offerors' technical
acceptability. Five of the eight offerors were determined
to be technically noncompliant, and they were so notified by
letter dated September 18, 1989.

The Air Force rejected Aydin's proposal based on information
contained in Aydin's original technical proposal and
responses to the clarification requests. Aydin filed its
protest with our Office on December 11, after the agency
denied Aydin's agency level protest.

Aydin's proposal was determined to be noncompliant with
respect to 12 performance requirements involving the
following areas: (1) interoperability; (2) display;
(3) system registration; (4) switching (two items);
(5) software engineering prototype; (6) government
furnished equipment (two items); (7) software;
(8) verification; (9) management-schedule; and
(10) management-organization.

Aydin argues that its proposal met the solicitation's
essential requirements. Aydin also maintains that to the
extent its offer was initially deficient, the Air Force by
providing it only a single opportunity to exchange
information regarding areas of potential noncompliance,
failed to meet its obligation to conduct discussions in a
manner that permitted Aydin to resolve all areas of
potential noncompliance. Aydin further contends that the
clarification requests did not properly inform Aydin of the
specific areas it needed to address.

In response, the Air Force asserts that it conducted the
type of discussions required by NATO by identifying all
areas of potential noncompliance to the protester, and then

3/ For a more detailed discussion concerning the conduct of
this procurement, see Harris Corp. and Lockheed Missiles &
Space Co., Inc., B-237166.4, B-237166.5, Feb. 16, 1990, 90-
CPD ¶ ___.

responsibility to establish their compliance with the technical requirements. We think Aydin failed to do so. For example, with respect to interoperability, that is, the system's ability to handle transmissions from other radar systems, the solicitation required offerors to propose reception and transmission procedures which will be used to manage data exchange by the four remote IADS Joint Tactical Information Distribution System (JTIDS) terminals which forms the single JTIDS network. Offerors were to describe the method of discriminating among redundant message receptions (same message received from different radar sources), the procedure for selecting the terminal for message transmission to the control center and the concept of how reporting responsibility to the control center will work for each terminal link.

After evaluating Aydin's initial proposal, the Air Force determined that there were four specific interoperability requirements that Aydin's proposal appeared not to meet. Aydin's proposal failed to clearly address the requirements that: (1) the determination of reporting responsibility to the control center be performed independently for each of the four JTIDS terminal links; (2) redundant messages be used for determining reporting responsibility; (3) the control center have the capability to retransmit data back to the terminals; and (4) data be inhibited from being retransmitted back to the terminal from which the data was received. During discussions, Aydin was advised of the solicitation requirement that the JTIDS terminal links be operated independently and was specifically requested to describe how the requirements for JTIDS data exchanges are satisfied, including:

"a. How reporting responsibility rules are applied to each JTIDS terminal links.

"b. How redundant messages are used in the determination of reporting responsibility.

"c. How data can be retransmitted from one IADS JTIDS terminal link to another."

Based on Aydin's responses to discussion questions, the Air Force determined that Aydin's design approach did not use redundant messages as required to determine reporting responsibility, did not provide the capability to transmit data received from one JTIDS terminal link to another and did not prevent data from being retransmitted back to the line from which data was received. Here, we believe that the Air Force's conclusions were reasonably based on Aydin's responses during discussions.

Aydin generally argues that implementation of any message transmission scheme requires the same amount of work consisting of relatively few decisions. Aydin maintains that to change the areas at issue here would have no price impact to the government. In response, the Air Force states that the areas of interoperability that Aydin was determined to be noncompliant represent a significant amount of software computer processing time to implement. As noted by the Air Force, this processing task was not addressed in Aydin's technical proposal and necessarily would impact other areas of its technical proposal concerning meeting scheduling requirements and its cost proposal. Further, the Air Force asserts, and we agree, that these areas of noncompliance reasonably indicate a lack of understanding of the agency's requirements. Thus, we do not find the Air Force evaluation of interoperability to be unreasonable. It was incumbent upon Aydin to provide the Air Force details of their approach to ensure that the technology involved was understood and the requirement would be delivered in a timely manner.
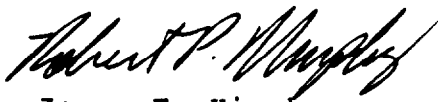
The agency also found Aydin noncompliant concerning its proposed design for the display control console. The console controls the display of the radar information collected and is manually operated by the use of switches. The solicitation required that category selection controls be simultaneously viewable with action entry controls and feature selection controls. The Air Force also states that it was intended that these controls be viewable continuously. Aydin's proposed design provided for some controls to be hard switches and others to be soft switches that are displayable on request. According to the Air Force, in Aydin's design, display of the category selection controls is replaced when subsequent commands are invoked for some action entry controls. Consequently, Aydin design was found technically noncompliant for not providing continuous viewing of the controls as intended or simultaneous viewing as specified.

Aydin objects to being determined noncompliant in this area because the requirement was not for these controls to be viewable continuously nor did the relevant clarification request indicate that the controls had to be viewable continuously. We agree with Aydin that the specifications do not specifically require continuous simultaneous viewing of the three types of controls. However, the agency also states that Aydin's design does not provide for simultaneous viewing of these controls. The agency states, and the protester does not deny, that under Aydin's design when the category select function key is depressed, it replaces the action entry command(s) that had been previously selected

proposed algorithm did not demonstrate that the required error rate would be met. It is Aydin's position that, although an algorithm was not required, it presented a partial algorithm in its response to describe system registration. Aydin maintains that it never asserted that this was a final algorithm and at all times committed itself to compliance with the specification. However, the record shows that Aydin was specifically asked to describe how its design would accomplish system registration and simply did not persuade the agency that its design could meet this requirement.

In our view, with regard to the technical requirements discussed above, the Air Force reasonably determined that Aydin did not meet these requirements and properly rejected the technical proposal. Moreover, although Aydin consistently states that it is committed to complying with the requirements, Aydin failed to demonstrate in its technical proposal an ability to meet the requirements. Further, we are not persuaded that the deficiencies contained in Aydin's proposal regarding these requirements, especially concerning interoperability and display, were easily correctable without significant revisions to Aydin's design.

The protest is denied.

James F. Hinchman
General Counsel