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

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August 8, 1973 31242

Boeing Computer Services, Incorporated
955 L'Enfant Plaza, North, SW.
Sixth Floor
Washington, D.C. 20024

Attention: Mr. Dale A. Harrison
Procurement-Administrative
Manager

Gentlemen:

By letter dated May 4, 1973, and prior correspondence, you protest the award of a contract to Optimum Systems, Incorporated (OSI), by the Environmental Protection Agency (EPA), under request for proposals (RFP) No. WA 72E-135. The contract was awarded on January 12, 1973, pursuant to a determination by EPA that there was a critical need for the services involved.

The RFP was for computer time-sharing services which would provide, on a national scale, automatic data processing capability for EPA's STORET water quality data system and various other systems. Proposals were received from the Boeing Computer Services, Incorporated (BCS), which was the incumbent contractor and from OSI. Award was made to OSI because its "technical and business proposals were found to be acceptable and because OSI's proposed rates produced an evaluated estimated cost appreciably lower" than that of BCS.

It is your contention that BCS was the only acceptable offeror under the RFP, that OSI does not have the capability to provide the service required by the RFP, and that the evaluation was not conducted in accordance with the provisions set forth in the solicitation. Furthermore, you dispute EPA's determination that OSI was the low offeror. We will consider these points separately.

Your first contention is that OSI's time-sharing system, WYLBUR, cannot satisfy the following RFP requirement.

Conversational FORTRAN

A conversational FORTRAN IV compatible with ANSI FORTRAN IV is required. It is required that users be able to create and update files using the conversational FORTRAN which can access files created and updated in the batch environment and by the interactive editor.

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OSI originally proposed a "batch execution monitor" to meet this requirement. However, OSI subsequently revised its proposal to provide for TSO FORTRAN, which the contracting officer states is the same conversational FORTRAN system proposed by BCS.

You dispute the statement that OSI's TSO FORTRAN is the same as BCS' TSO FORTRAN. You claim that BCS made special modifications in its conversational FORTRAN system to make it more suitable to EPA's requirements and that EPA would have realized this had it required OSI to benchmark its conversational FORTRAN. You further contend that EPA's failure to require a benchmarking of OSI's conversational FORTRAN had a decided impact on EPA's ability to make a proper cost evaluation. You state that the use of interactive execution software has the effect of degrading the "thru put" of any computer system and, as a result, the efficiency of the rest of the system is reduced and the cost to the Government to process other work increases.

In this regard, OSI estimated in its revised proposal that "our batch throughput capacity will be adversely impacted by 20 percent." You contend that EPA erred by accepting OSI's estimate of the degradation effect of its TSO FORTRAN without benchmarking. Furthermore, you claim that " * * * the complex marriage of TSO to WYLBUR * * * " was bound to increase the degradation effect.

EPA reports that it evaluated OSI's proposal and found that, as amended, it satisfied all requirements for interactive systems, including conversational FORTRAN. Although OSI did not initially comply with this non-mandatory requirement, it is clear that after negotiations OSI agreed to meet the requirement. Furthermore, we would not be justified in taking exception to EPA's determination that the proposed conversational FORTRAN satisfies the specifications and that the degradation effect will be in the range estimated by OSI, since such determinations are the primary responsibility of the procuring activity.

It might have been better procurement procedure for EPA to have required a rerun of the benchmark to confirm compliance with the specifications and the impact on cost resulting from degradation of the "thru put" efficiency. However, we note that the Benchmark Protocol of the RFP provides as follows:

> In the event that a benchmark system is used that differs from the [offeror's] proposed system in the items listed above, then the [offeror] shall, at the discretion of the EPA Project Officer, rerun one or more parts of the benchmark on the proposed system when it is available, with the purpose of measuring system performance as it affects EPA billing. (Underlining supplied.)

Therefore, the decision whether to require benchmarking was within the discretion of the Project Officer, and the failure to require such benchmarking does not affect the validity of the award.

You next contend that OSI failed to meet the requirement of the RFP which states:

> Job Class and Resource Sensitive Job Scheduler (Job Stream Manager)
>
> Service time is used in this RFP to refer to the amount of wall clock time required from the time a job is read into the system until the time the first step of the job begins execution.
>
> The contractor shall provide a service time and resource sensitive job scheduling device (job stream manager) capable of ensuring service time for the specific job classes specified in Table II.
>
> In the event [an offeror] offers a job stream manager that differs from the EPA requirement, then the [offeror] shall provide a description of the job class he provides, and shall state explicitly the correspondence between the [offeror's] job classes and the job classes specified in Table II which represent a profile of the EPA workload.

You contend that EPA erred in awarding a contract to OSI since it did not have a job stream manager available at the benchmark or at the time of award. Rather, OSI proposed the following:

> OSI will make available a "Job Stream Manager" within 120 days of award of contract which will provide the following facilities:
>
> 1. Automatic Job Classification based on system resources required.
>
> 2. JCL Syntax Check.
>
> 3. Verification of Procedure Library References and Data Set References Using Catalog.
>
> * * * * *

It is the position of EPA that a job stream manager was not required to be demonstrated at the benchmark and that OSI's proposed job stream manager was evaluated and it was determined that OSI possessed the capability of providing a job stream manager within the 120 days allowed for conversion from the incumbent contractor to the new contractor. EPA also notes that a job stream manager is not an off-the-shelf item but requires special design and implementation. Since the RFP was not released until March 3, 1972, and proposals were due on April 17, 1972, EPA contends that it would have been unduly restrictive to have required a job stream manager at the benchmark.

You state, however, that BCS did not have a job stream manager at the time the RFP was issued but that by investing " * * * substantial time, money and effort, * * * " BCS was able to have a job stream manager available at the benchmark. Therefore, you claim BCS was prejudiced by EPA's failure to inform all prospective offerors that a job stream manager was not required at the benchmarks. If EPA had done so, you state that BCS would have been able to improve other performance features of its proposal.

As EPA points out, there was no requirement in the RFP that a job stream manager be benchmarked. Therefore, OSI's proposal to make available a job stream manager within the conversion period was not contrary to the RFP. We do not think that it was unreasonable for EPA to determine that OSI's commitment to make available a job stream manager by the end of the conversion period (plus EPA's conclusion that OSI possessed the capability to do so) fulfilled the RFP requirement.

Since the RFP did not specifically call for benchmarking the job stream manager, we are unable to conclude that the failure to inform offerors that such benchmarking was not required was prejudicial. Moreover, we note that BCS' ability to demonstrate a job stream manager at the benchmarks earned it substantially more points in the technical evaluation of this requirement than OSI attained.

You further contend that WYLBUR fails to provide the security access levels required in the RFP which reads as follows:

Security Procedures

The protection role of the operating system shall be two-fold. One is to perform authorization tests that

relate user privilege with file restrictions levied by the file owner as to who may access the file and what they may do with the file. The other role is to perform validation tests that identify the user.

File restriction must be applied in the following frame of reference for users of the system during the term of the contract whether operating from low or high speed remote terminals or at the central computer site:

(1) Classes of File Restrictions

Public (open to all subscribers to the contractor's service).

Selected Private (open only to user or users designated by the file owner).

(2) Minimum Levels of File Restrictions

Read Only (read or execute; no modification).
Unrestricted (all privileges, including on-line delegation/revocation of privileges).

You state that a " * * * basic characteristic of 'WYLBUR' is to allow either FULL access or NO access to data files, but not the access levels which are clearly stated in the RFP."

EPA noted initially that the security requirements are not considered critical or mandatory, and they are allocated only 50 points out of a possible 1100 in the technical evaluation. Although the BCS security system was rated higher than the OSI system, EPA evaluated OSI's security system and concluded that it was in substantial compliance with the RFP. Specifically, EPA states that OSI's system meets the RFP requirements to "identify user," for "selected private" and "read-only."

We find no basis to question EPA's determination that OSI's proposal did substantially comply with the RFP security requirements.

You also argue that:

Paragraph B.1.b. (which is identified in the RFP as a "critical requirement" without which no award will be made) requires that "conversationally used" files be accessed in a batch mode and vice versa. "WYLBUR" to gain efficiency used compressed data, which cannot be processed in batch and therefore, only allows access to the files which have been converted to a format acceptable to batch.

Paragraph B.1.b requires that:

> The contractor's interactive services and batch services shall employ common file access methods so that conversationally used files may be accessed in batch mode and vice versa.

OSI's WYLBUR Reference Manual gives procedures "for transferring card and tape data sets to WYLBUR storage volumes, for directing batch program output to WYLBUR data sets, for listing WYLBUR data sets at remote terminals, and for accessing WYLBUR data sets from batch jobs." EPA concludes, therefore, that under OSI's proposed system " * * * users may elect to store data sets either in compressed or non-compressed form. Even when stored in compressed form to achieve storage and editing economies, the data sets can be accessed in the batch (and vice versa) by WYLBUR utility routines." We concur, therefore, with EPA's determination that this point of your protest is factually incorrect.

Your next contention is that OSI does not have the capability to provide the service as required by the RFP. You state that OSI proposed the use of one 370/155 computer, but that a "single 155 computer * * * simply does not have the capacity as required by Tables I and II or by EPA's current work."

However, EPA states that it evaluated the capacity of the proposed OSI system in considerable detail and found it to be adequate. In this connection, the EPA Technical Evaluation Panel prepared a report dated June 12, 1972, on the entire evaluation process which included a "Comparative Analysis of Benchmark Performance as it Relates to Hardware to Meet Expansion Requirements." As a result of this study, OSI's system was rated considerably more efficient than that proposed by BCS. Although OSI's addition of TSO FORTRAN was considered as reducing the margin of difference, it was also determined that OSI maintained a significant margin and its capacity was clearly adequate.

Under the circumstances, we do not think that we possess the expertise to question the agency's decision on this issue.

It is also your position that OSI failed to meet the experience requirement of the RFP. In regard to experience and reliability the RFP contains the following critical or mandatory requirement:

> The contractor shall have been operating, prior to the issuance of this RFP, a service commensurate in size and scope to the current EPA workload.

You state that it is your belief that an evaluation of OSI's experience " * * * will clearly indicate that any load capability being processed on a single 360/155 in Palo Alto did not represent a service commensurate in size and scope of the vast current EPA workload.* * *."

EPA evaluated the prior experience and reliability of OSI for the six-month period prior to the issuance of the RFP and found it "commensurate, and in some respects, superior to the current EPA service." In this regard, it was determined that OSI's range of workload for the six-month period prior to issuance of the RFP exceeded the then current EPA workload in all but one category by a substantial margin. Accordingly, we think that OSI complied with the experience requirement of the RFP.

You also contend that OSI failed to demonstrate experience on certain critical requirements either at the time the RFP was issued or at the benchmark. Specifically, you argue that OSI failed to demonstrate the following specified capabilities:

1. Nationwide telecommunications network

* * * * *

4. Disk Storage

5. Job Stream Manager

* * * * *

7. Common data base

8. Experience and reliability

We have previously considered items 5 and 8 and we see no reason to repeat those discussions here. In regard to the requirement for a nationwide telecommunications network, the RFP does not require that such a network be demonstrated at the benchmark. Furthermore, the record indicates that OSI did use the required types of disk storage and did in fact demonstrate a common data base during the benchmark.

In any event, there was no requirement in the RFP for the offeror to demonstrate experience in regard to critical requirements. Rather the offeror was advised only that its system must "satisfactorily provide" for the critical requirements.

You also contend that BCS, and not OSI, was the low price offeror. You claim that EPA, by accepting a lesser technical performance by OSI than that requested in the RFP, treated BCS inequitably in evaluating costs. It is your position that EPA should have notified all offerors that it would accept a lesser system,or, alternatively, it should have " * * * carefully derived equalizing factors * * * to adjust appropriately the prices quoted for the response of OSI to the technical specifications of the RFP." In addition, you believe that the costs of OSI's and BCS' proposed systems were evaluated on the basis of different periods of use time and are therefore inaccurate. You also argue that the benchmark results indicate that BCS' proposal offered a greater amount of work per dollar ("thru put") than did OSI's, and that EPA failed to consider this in its evaluation. Finally, you suggest that in evaluating the respective cost proposals, EPA failed to consider the current workload volume, which was higher than the volume forecast in the RFP, and consequently EPA did not consider possible volume discounts associated with the increased workloads.

EPA states that the " * * * procedure for Cost Proposal Evaluation was stated explicitly in the Evaluation Criteria section of the RFP and was followed scrupulously." In addition, EPA reports that the two proposals were also evaluated on the basis of:

(1) the workload exceeding the stated RFP volumes by a factor of two; and

(2) the workload being less than the stated RFP volumes by a factor of two.

In all cases, EPA determined that " * * * OSI was considerably lower than BCS in total costs over the life of the system."

Furthermore, EPA reports that both proposals were evaluated for an identical workload for a 30-month period and that this evaluation demonstrated that OSI maintained an advantage in "thru put." EPA also states that it considers " * * * its forecast volumes appropriate and suitable for the purposes stated * * *," but that " * * * nevertheless as part of the cost evaluation, variation in volume checks were performed * * * which are inclusive of the BCS 'current' workload variations." Those checks showed a greater price advantage in favor of OSI's proposal.

Lastly, EPA states that both proposals were thoroughly evaluated in accordance with the terms of the RFP, that BCS did have a small advantage in the technical scoring (1052.6 to 969.4) and that since the technical scoring was so close, price became the overriding element in the award. Since EPA determined that, in terms of cost, OSI was superior over the range of workload volumes from two times to one-half the volumes stated in the RFP, award was made to OSI.

We have examined the technical and cost evalutions of both proposals and find no basis for our Office to conclude that such evaluations and findings were either contrary to the RFP or prejudicial to your firm.

Accordingly, it is our conclusion that the award to OSI should not be disturbed and your protest is therefore denied.

Sincerely yours,

Paul G. Dembling

For the Comptroller General
of the United States