

1st Tim
G.C. Nick

J. Vachon
Proc I

42

DECISION



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

8957

FILE: B-192800

DATE: January 25, 1979

MATTER OF: Opportunity Systems, Inc., and DBS
Corporation

DIGEST:

743
744
745

1. Allegation that awardee did not propose 100-percent key verification of survey data as required by RFP is found to be without merit where technical evaluators initially had same concern as protester but, following written and oral discussions, were satisfied of compliance with RFP. Moreover, awardee's lower proposed labor hours has rational basis because of more efficient method of data entry. Also, where proposal takes no exception to providing all software to Government, protest that documentation for data entry is not being offered is denied.
2. Where record reflects procuring activity advised both protester and awardee during negotiations that data entry did not have to be performed at Government facility, protest that offerors did not compete on equal basis is denied.

Opportunity Systems, Inc. (OSI), and DBS Corporation, OSI's proposed subcontractor, have protested the award of a contract by Department of Health, Education, and Welfare to Killalea Associates, Incorporated (Killalea), under request for proposals (RFP) No. RFP-79-78-HEW-OS.

The RFP is for conducting an analysis of the 1978 elementary and secondary school civil rights survey. Basically, the contract requires a mail survey of school systems throughout the United States and collecting, processing and analyzing the data received.

Four proposals were received in response to the RFP and only the proposals of OSI and Killalea were found to be technically acceptable. Following written and oral discussions, OSI received a technical rating of

003324 [Protest AGAINST Contract Award]

Decision

88.7 points and Killalea of 82.7 points. After best and final offers were received, it was determined that both offerors could successfully perform the contract and Killalea was selected for award because of its lower proposed cost of \$763,392 compared to OSI's cost of \$827,761.

Before the award was consummated, DBS filed a protest with our Office on September 7, 1978, and OSI protested on September 13, 1978. On September 27, 1978, award was authorized to Killalea notwithstanding the pendency of the protest pursuant to Federal Procurement Regulations § 1-2.407-8(b)(4)(ii) (1964 ed. amend. 68) as being in the best interest of the Government.

The first basis of OSI's protest is that Killalea's proposal failed to provide for 100-percent key verification of survey data and, therefore, should have been found technically unacceptable. The RFP provided "The contractor is responsible for keypunching and key verifying the survey data in accordance with attached keypunch instruction and keypunch layout."

While OSI proposed to use keypunched cards to transform the survey data into computer readable form, Killalea proposed a key to disk system utilizing minicomputers or "smart terminals." OSI argues that the use of the key to disk system will not utilize 100-percent key verification of the survey data, but will visually verify the first stage key entry. Therefore, the acceptance of the Killalea proposal for computer-assisted data entry rather than key verification constituted a deviation from the RFP requirements.

It appears from the record that the technical evaluators, following the submission of initial proposals, had a similar concern regarding Killalea's method of verification. Therefore, in the written discussions, HEW posed a question to Killalea concerning the means of edit verification available to on-live key to disk users. Killalea responded with a three-page answer to the query explaining character-for-character verification, foreground edit checks and background edit checks. In regard to character-for-character verification, Killalea stated:

"If an entry (for, say, enrollment) should be 11,239 but the operator actually enters 11,329, no automatic check of the kinds to be discussed below will catch this type of incorrect entry. A completely independent entry is made, which is automatically compared with the original entry. If the second differs in any way from the first, the process is stopped until the two entries are reconciled. This verification can be made by the original key operator immediately after the first entry or by an independent operator later in the process. As can be seen, this process is strictly analogous to the verification step in the keypunch method."

Moreover, HEW advises that Killalea orally stated that it proposed a double-entry, 100-percent method of verification. While OSI argues there is no written record of this oral statement, we believe the entire record reflects that Killalea proposed a 100-percent key verification, especially since HEW had the same concern as OSI regarding the matter but, following written and oral discussions, was satisfied of compliance by Killalea.

OSI also contends, in connection with the above requirement, that Killalea did not propose sufficient labor hours to both keypunch and key verify the data when compared with OSI's past experience in performing the contract. Killalea's proposed labor hours, while less than OSI's, were more than the HEW estimate. Moreover, both HEW and Killalea state that key to disk is much more efficient than traditional keypunch and, therefore, a higher keystroke per hour is attained resulting in a lower number of labor hours. We find that HEW has rationally supported its conclusion that Killalea proposed sufficient labor hours and this ground of protest is denied.

Secondly, OSI argues that Killalea, through the use of minicomputers for data entry, has

violated the requirement of the RFP that only the computers located at HEW's Data Management Center, Washington, D.C. (DMC), were to be utilized in the performance of the contract. Therefore, since Killalea is performing data entry at other than the DMC and utilizing computers for this work, OSI should have been given an opportunity to submit a proposal employing commercial computers. OSI states that in its initial proposal, it offered five cost options, one of which required only \$7,500 worth of commercial computer time for system development, but was informed by HEW that this was unacceptable because of the requirement that the DMC facilities be utilized.

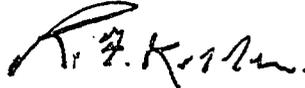
HEW has responded that it is a requirement that the DMC facility be used for all data processing under the contract with the exception of the data entry or data preparation function. During negotiations both offerors were advised of this fact, which is evidenced by the summaries of negotiations submitted to our Office by HEW in connection with the protest. Regarding OSI's initial proposal, HEW states the use of a commercial computer was rejected because it was to be employed during system development, not data entry.

Based on the above, we find each offeror was advised of the permissibility of the use of commercial computers for data entry and, therefore, competed on an equal basis.

Finally, OSI states that Killalea's proposal did not comply with the RFP requirement that all computer software, including documentation and user's guides, must be delivered to the Government. OSI questions whether Killalea will furnish the documentation and user's guides for the data entry process on the key to disk system. In its initial proposal, Killalea states that the work (providing documentation) will be carried out in accordance with the description contained in the RFP. HEW has advised that it has no reason not to believe that Killalea will furnish all the documentation and software as required by the contract. Since Killalea took no exception to the above-described

requirement and recognized its obligation under the contract in its proposal, we find nothing objectionable in the acceptance of Killalea's proposal.

Accordingly, the protest is denied.



Deputy Comptroller General
of the United States