

DOCUMENT RESUME

03273 - [A2233367]

[Protest to Procurement of System Rather than Individual Components]. B-189107. August 9, 1977. 4 pp.

Decision re: Aritech Corp.; by Robert F. Keller, Deputy Comptroller General.

Issue Area: Federal Procurement of Goods and Services (1900).

Contact: Office of the General Counsel: Procurement Law II.

Budget Function: National Defense: Department of Defense - Procurement & Contracts (058).

Organization Concerned: Department of the Army: Army Troop Support Command.

Authority: 10 U.S.C. 2304(g). 4 C.F.R. 20.2(b)(2). A.S.P.R. 1-326.4(b)(iv)(vi). B-174968 (1972). B-151738 (1963). 47 Comp. Gen. 701. 55 Comp. Gen. 1010. 55 Comp. Gen. 1023.

A protester to Army procurement of intrusion detection sensors under an announcement stating that offers must be submitted for all items alleged that it was excluded because it could only bid on six items and that procurement should have requested separate bids for components. The protest, which was timely, was denied because the Army's decision to procure a system rather than individual components was found to be reasonable. (HTW)

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**DECISION**



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

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FILE: B-789107

DATE: August 9, 1977

MATTER OF: Aritech Corp.

**DIGEST:**

1. Protest based upon allegedly restrictive provision in invitation for bids is timely under 4 C.F.R. § 20.2(b)(1) because it was filed prior to bid opening.
2. Procurement of intrusion detection sensors and control units as a system rather than as individual components was not unreasonable due to the need for component compatibility and valid systems testing.

Aritech Corporation has protested issuance of invitation for bids (IFB) DAAK01-77-R-5385, issued by the United States Army Troop Support Command for a Joint-Services Interior Intrusion Detection System.

The detection system, which is designed to provide detection of attempted intrusions and equipment tampering, is composed of 18 components, primarily consisting of sensors and monitors. The proposed procurement was announced in the Commerce Business Daily on April 8, 1977. The announcement stated that: "Offers must be submitted for the total quantities of all items. Awards will be made to a single contractor."

Aritech protested the proposed procurement by letter dated May 11, 1977. Aritech alleged in its protest that it was being excluded from participation as a prime contractor because it could only bid on six of the items. It asserts that the IFB should have requested separate bids for all 18 components or, at least, separate bids for the sensor components.

The Army, in its report to this Office, first contends that the protest is untimely under the procedures of this Office because it was filed more than ten days

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after the time when the protester knew of the basis for its protest. The provision relied upon by the Army, 4 C.F.R. § 20.2(b)(2) (1976), states:

"In cases other than those covered in subparagraph (1), bid protests shall be filed not later than 10 days after the basis for protest is known or should have been known, whichever is earlier."  
(Emphasis added.)

However this provision does not apply because the instant protest is a case covered by subparagraph (1) of 4 C.F.R. § 20.2(b). Subparagraph (1) states that:

"Protests based upon alleged improprieties in any type of solicitation which are apparent prior to bid opening \* \* \* shall be filed prior to bid opening \* \* \*."

The subject protest is based upon an alleged impropriety in the IFB and the protest was timely filed prior to bid opening.

The Army, in its report, justifies the systems approach to the present procurement on three major grounds: 1) need for assurance of compatibility of component interfaces within the system; 2) need for fixing responsibility for the proper functioning of the system; and 3) need for assurance of timely delivery of the system. The Army asserts that the procurement of the components must be on a systems basis to ensure their compatibility. The Army states that although military specifications for the components require proper interface, the components have not been proven out in production and tested as a system. The protester has rebutted this assertion by stating that six of the components have been supplied to the Army in production quantities by the protester and have been evaluated and tested by the Army. The Army has stated that in mid-1975 components supplied by three producers were put through a systems test and found compatible with each other. However, the Army explains that it is only known that the particular combination of previously-supplied components will work, and not how those components will

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interface with other producers' items. The protester has also pointed out that in 1976, a contract for the entire system was made with a single contractor. The protester asserts that as a result of this contract, the Army now should have the management skills for a procurement on a component basis. The Army has not specifically responded to this assertion. However, we note that the fact that an agency has previously procured a major item on a systems basis, does not necessarily indicate that the agency will then have the ability to effectively manage the procurement on a component basis. Cf. Armed Services Procurement Regulation paragraph 1-326.4(b)(1v)(v1) (1976).

Moreover, the Army asserts that procurement on a systems basis is necessary in order to more easily identify and assign liability for deficiencies in the operation of the system. It states that with numerous contractors, the agency would have difficulty assigning liability to the proper contractor and deciding who should correct a deficiency which affects several components.

The Army also states that procurement on a systems basis is necessary in order to assure timely delivery of the system. Delays in hardware deliveries by individual contractors will affect the test schedule and deployment of the equipment and the additional costs to affected contractors resulting from delays of others would fall on the Government. The Army prefers a systems approach because it places the responsibility for subcontractors' delays upon the prime contractor.

The propriety of a procurement on a systems approach must be viewed in the light of the statutory requirement of 10 U.S.C. 2304(g) (1970) that proposals shall be solicited "from the maximum number of qualified sources consistent with the nature and requirements of the supplies or services to be procured." Procuring activities may place restrictions on competition only when the legitimate needs of the agency involved so require. See, e.g., B-174968, December 7, 1972. Decisions concerning whether to procure as a system or to procure as individual components are primarily matters within the discretion of the procuring activities. They are in the best position to assess the technical risk involved in component breakout. See 47 Comp. Gen. 701 (1968). This Office will uphold the agency

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decision so long as a reasonable basis for the decision exists. See Control Data Corporation, 55 Comp. Gen. 1019, 1023 (1976), 76-1 CPD 276; B-151738, August 19, 1963.

We find that the Army's decision to procure a system rather than individual components was based upon a bona fide determination that the necessary degree of compatibility of the advertised system could not otherwise be obtained and tested in a timely manner. We find no reason to question this judgment and we will not substitute our judgment for the technical judgment of the procuring activity.

Accordingly, the protest is denied.

  
Deputy Comptroller General  
of the United States