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Report to the Secretary of Defense

June 1987

ADP SYSTEMS

Concerns About DOD's Composite Health Care System Development Contracts

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GAO

United States
General Accounting Office
Washington, D.C. 20548

Information Management and
Technology Division

B-220732

June 8, 1987

The Honorable Caspar W. Weinberger
Secretary of Defense

Dear Mr. Secretary:

As required by the Department of Defense Authorization Act for 1986 (Public Law 99-145, November 8, 1985), we are evaluating the acquisition and implementation of the Composite Health Care System (CHCS). As you know, CHCS is a state-of-the-art medical information system that Defense is acquiring for use in all military hospitals, medical centers, and clinics worldwide. This report discusses issues identified during our review of Defense's award of initial systems development contracts for the first stage of a projected $1.1 billion acquisition. Specifically, it questions Defense's compliance with Federal Acquisition Regulations and the uncertain nature of cost-sharing arrangements—worth several million dollars—proposed by offerors in return for technical data and software ownership rights.

It is important that Defense improve its management of the acquisition at this point because the decision-making process formulated at this stage will be used in the second stage as well. Increasing the involvement by Defense's contracting organization, specifically the contracting officer, should help ensure that the rest of the CHCS procurement is accomplished in full compliance with Federal Acquisition Regulations. In addition, Defense should ensure that the government is compensated fairly for relinquishing technical data and computer software ownership rights to the offerors.

This report contains recommendations aimed at helping Defense accomplish these ends. Although it did not always agree with our interpretation of acquisition events, Defense concurred with our recommendations. Official comments on a draft of this report were obtained verbally from Defense and incorporated where appropriate.

Background

The Tri-Service Medical Information System program office, under the Assistant Secretary of Defense for Health Affairs, provides computer support to all military medical treatment facilities. In May 1985, the program office, through the U.S. Army Information Systems Selection and Acquisition Activity, issued a Request for Proposals to acquire CHCS.

The request stated that Defense would use a two-stage acquisition process.[1] During stage I, which is the subject of this report, Defense planned to award initial systems development contracts to up to three offerors to develop systems conforming to its specifications. Each offeror would be required to demonstrate a portion of the total system at a military medical facility. After Defense tested[2] and evaluated each offeror-developed system, a final contract for stage II would be awarded to one offeror for full deployment of CHCS at 12 military hospitals. If the offeror were successful in that environment, Defense would then seek approval to deploy the system worldwide. At the time of our review, Defense estimated completion of stage I in January 1988, with award of the contract for deployment at 12 military hospitals in March 1988. In commenting on a draft of this report, Defense informed us that it has adopted a new strategy which involves awarding stage II contracts to two offerors—rather than one—in March 1988, followed by an extended operational test.

The issues discussed in this report arose from our continuing review of Defense's acquisition of CHCS. That work was required by the Defense Authorization Act for 1986, and was later broadened by the 1987 Defense Authorization Act to include an evaluation of systems testing in an operational environment. (See appendix I for a discussion of our objectives, scope, and methodology.)

Noncompliance With Regulations Led to Program Delays and Increased Costs

Because Defense did not conduct sufficiently meaningful discussions of proposals with offerors, as Federal Acquisition Regulations require, it misevaluated one of the proposals. This misevaluation led to elimination of an offeror from competition, which in turn led to a bid protest by that offeror. Another protest was lodged by a second offeror whose proposal Defense properly found to be technically unacceptable. Defense settled the protests by allowing both offerors to reenter the competition. The protests caused a 3-month program delay and increased costs. In addition to not conducting sufficiently meaningful discussions, Defense did not fully comply with regulations requiring documentation of discussions in contract files.

[1]Since Defense considers development of CHCS to be a major systems acquisition, it is being conducted in accordance with Office of Management and Budget Circular A-109, which minimizes development risks through a "run-off" phase in which prospective contractors compete through demonstrations of their proposed systems.

[2]Initial system development contracts are currently being modified to incorporate substantial systems testing requirements established in the Defense Authorization Act for 1987 (Public Law 99-661, November 14, 1986).

Selection Process—Two Offerors Protested Elimination

In November 1985, in response to its Request for Proposals, Defense received proposals from six offerors willing to compete for CHCS system development contracts. Defense eliminated one offeror without protest for being non-responsive, and another withdrew from the competition citing a lack of resources with which to respond to the Request for Proposals. After completing its detailed evaluation of the remaining four proposals in March 1986, Defense's Source Selection Evaluation Board found two to be technically unacceptable. On April 2, 1986, the selecting official—the Assistant Secretary of Defense for Health Affairs—decided to eliminate from further competition the offerors that had submitted unacceptable proposals. On April 7, 1986, the CHCS contracting officer notified the offerors of this decision.

During the next few weeks, the two offerors protested the decision to eliminate them to the General Services Administration's Board of Contract Appeals. After the procurement was suspended by the Board, Defense worked out a settlement allowing the offerors to reenter the competition. The Board then lifted its suspension and dismissed the protest without considering the merits. After further discussions, the four offerors revised their proposals. Following a second evaluation, Defense found all four proposals acceptable, and on September 10, 1986, awarded systems development contracts to all four offerors, instead of three as originally planned. (Appendix II contains a chronology of key events.)

Discussions of Proposals—Defense Did Not Fully Comply With Requirements

The Competition in Contracting Act (10 U.S.C. 2305(b)(4)) requires that meaningful discussions[3] be conducted with all firms within the competitive range. Federal Acquisition Regulations[4] require that during discussions the contracting officer: (1) advise the offeror of deficiencies in its proposal so that the offeror is given an opportunity to satisfy the government's requirements, (2) attempt to resolve uncertainties concerning the technical proposal and other terms and conditions it contains, (3) resolve suspected mistakes by calling them to the offeror's attention as specifically as possible without disclosing information concerning other offerors' proposals or the evaluation process, and (4) provide the offeror with a reasonable opportunity to provide any proposal revisions

[3]The term discussions, as used here, applies to the full range of documented, written and oral communication between the contracting officer and offeror(s), including meetings, correspondence, and telephone conversations.

[4]Federal Acquisition Regulation 15.610 (c) (1-4).

that may result from the discussions. At issue is whether Defense complied with the requirement that meaningful discussions be conducted.

We found that Defense did not attempt to fully resolve certain apparent uncertainties and suspected mistakes in one of the two unacceptable proposals when it conducted discussions. Our analysis of the reasons for eliminating this offeror from further competition indicated that Defense's major problems with this proposal could have been resolved if more meaningful discussions had been conducted. For example, the offeror's proposal contained an inconsistency between its technical portion, which proposed a certain number of communications lines, and its cost section, which incorrectly specified fewer lines. Defense did not advise the offeror of the inconsistency during the discussions that were conducted, but, as shown in its technical evaluation, assumed the cost section of the proposal was correct. On the basis of this assumption, Defense concluded the number of lines was inadequate. Defense later cited the perceived deficiency as a major cause in its decision to eliminate the offeror from the competition. However, as was made clear in the offeror's acceptable revised proposal, the offeror's technical portion depicted the accurate number of communications lines and the cost section was in error. We believe the other major deficiencies in this offeror's proposal also could have been resolved if more meaningful discussions had been conducted.

On the basis of our review, it appears that the contracting officer accepted the technical evaluation team's summary results without ensuring that sufficiently meaningful discussions had been conducted. The contracting officer told us that he recognized that Defense could have done a better job of discussing weaknesses and deficiencies with offerors, but that he believed the proposals he found technically unacceptable could not have been made acceptable through further discussions within the time allotted by the acquisition schedule.

In commenting on a draft of this report, Defense explained that the contracting officer did not intend to imply that Defense could have improved its discussions process, but rather that any bidder could improve an unacceptable proposal with unlimited time and resources. Defense officials said they believed they had sufficient discussions with the offeror, which gave the offeror an opportunity to correct its proposal. Although all of these discussions were not individually documented in the file, the officials believe the offeror's formal responses to written questions from Defense reflect the offeror's reaction both to the questions and other discussions. Consequently, Defense officials stated

that given the information received from the offeror, the agency had accurately evaluated the proposal. Defense officials also added that the purpose of the competition process is not to bring all proposals up to the same level, but to clarify requirements and allow fair competition. However, it should be noted that when the offeror was permitted to reenter the CHCS competition, it was, after discussions with Defense, able to revise its proposal in a short time to make it technically acceptable. The offeror's ability to develop a technically acceptable proposal based on these discussions suggests that if the initial discussions had been more meaningful, the offeror would have made the necessary corrections at the outset.

Documentation of Discussions—Defense Did Not Satisfy All Requirements

Defense did not adequately document the discussions and negotiations between the government and offerors for the original and revised proposal evaluations. Federal Acquisition Regulations[5] require that documentation of contract files be sufficient to provide a complete background record of the procurement and to serve as the basis for informed decisions at each step in the acquisition process. That is, it must be adequate to support the selection decision and actions taken, provide information for reviews and investigations, and furnish essential facts in the event of litigation, contract protests, or congressional inquiries. Specific documentation of discussions and negotiations should be included in the contract files.

Defense's contract files contained lists of participants in the discussions, agenda of the general topics discussed, and written questions, and offeror responses. However, we found the files did not contain documentation of substantive matters discussed with offerors during the weeks of January 5 and February 23, 1986, as part of Defense's evaluation of initial proposals. If the protest had not been resolved, we believe the absence of documentation would have made it more difficult for Defense to defend against offeror allegations of inadequate discussions in the bid protests filed on April 21, 1986.

Regarding the discussions Defense held with the four offerors in evaluating their revised proposals, we found that Defense's documentation had not changed. There was no additional documentation disclosing the substance of matters discussed and any agreements reached for six meetings with individual offerors held during May and June 1986. In

[5]Federal Acquisition Regulation 4.801; 4.802; 4.803; 15.612(d)(2).

addition, Defense had little documentation of its August 1986 contract negotiations with individual offerors.

In commenting on a draft of this report, Defense officials stated that they believed the documentation of discussions and negotiations between the government and offerors was sufficiently complete. Defense commented that the government's written questions and the offerors' responses constitute formal documentation of issues discussed, and that all contacts with offerors are included in the questions and answers. Defense believed that these documents, supplemented by agenda and lists of attendees, fully met Federal Acquisition Regulations documentation requirements. When we expressed concern that we could not find documentation of numerous known contacts between Defense and offerors in the files, Defense officials agreed to accept our suggestions for more clearly documenting all contacts in the files.

Protests Caused Delays

The two offerors eliminated from the competition filed petitions with General Services' Board of Contract Appeals on April 21, 1986, protesting Defense's decision and charging that the Department failed to comply with regulations governing elimination from competition (see appendix II). On April 29, 1986, the Board suspended further activity on the procurement. On May 5 and 8, 1986, prior to a decision on the merits of the case, Defense program officials and the protesting offerors reached settlements under which each offeror would be permitted to reenter the CHCS competition. Subsequently, Defense provided all four offerors with questions concerning their deficiencies and/or weaknesses, conducted additional discussions with the offerors, and requested that they all submit revised proposals. Defense's objective was to increase competition and avoid further protests and delays.[6] As a result of the settlement, the Board lifted the procurement suspension on May 8, 1986.

On July 14, 1986, Defense began its evaluation of the revised proposals. This time, the Source Selection Evaluation Board found all four offerors' proposals to be technically acceptable, and on August 26, 1986, presented the results of its analysis to the selecting official's advisory

[6]In commenting on a draft of this report, Defense stressed that its decision to readmit these offerors was based on (1) the desire to foster maximum competition and maintain the possibility of awards for the CHCS Development Contract to up to three vendors and (2) the assertion of both readmitted offerors that they could have made their proposals technically acceptable if they had been given additional time.

council.[7] On September 5, 1986, the advisory council recommended that Defense award contracts to all four competing offerors. Following the selecting official's decision to implement the recommendation, the CHCS contracting officer made the official contract awards on September 10, 1986—3 months later than Defense had originally planned.

Stage I Acquisition Cost Will Be Higher Than Estimated

Defense estimated a $7 million additional cost to the government of awarding system development contracts to four offerors instead of three. The estimate considered the cost of initial systems development and benchmark testing for one additional offeror's system. We found, however, that in developing its cost estimate Defense had not considered all relevant cost factors. For example, Defense did not consider the additional monitoring and evaluation costs it will incur during systems development and benchmark testing as a result of adding a fourth offeror. According to the CHCS project manager, Defense believed the development and testing costs represented the bulk of the additional cost and that other costs could not be determined accurately.

In addition to the monitoring and evaluation costs, we found that changes in acquisition strategy, resulting from testing requirements established in Defense's 1987 Authorization Act, will increase costs. For example, Defense plans for the systems proposed by the three losing offerors to continue in operation in the military medical facilities where they were tested for at least 2 years after a final CHCS developer is chosen. Continued operation of these systems is intended to provide Defense with a fallback option in the event the winning offeror performs unsatisfactorily during the next stage of the acquisition. However, the cost of the continued operations of the three systems until they are replaced during full deployment of CHCS was not considered in the development of Defense's estimate. Detailed cost estimates will be developed by the CHCS offerors in connection with Defense's current contract modification effort.

In commenting on a draft of this report, Defense agreed that the cost of competing four contractors rather than three significantly exceeds $7 million. Defense explained that significantly higher costs than anticipated are being experienced in this procurement, the majority of which

[7]In accordance with Defense's Source Selection Plan, the advisory council assists the selecting official by guiding the efforts of the Source Selection Evaluation Board and ensuring that appropriate actions are taken, consistent with Federal Acquisition Regulations, to obtain competition in the selection process.

are attributable to changes in procurement strategy based on congressional guidance, such as the operational test of the four competing systems in DOD hospitals.

Uncertainty Over Cost-Sharing Arrangements

When the government contracts for the development of an automatic data processing system, it typically acquires unlimited rights to ownership of all technical data and computer software developed at federal expense. However, the government need not acquire unlimited rights in every case. Defense's policy is to reduce contract costs by encouraging cost sharing and acquiring only the minimum rights needed to satisfy mission requirements. For the CHCS acquisition, Defense expects to reduce individual systems development contract costs by several million dollars through cost-sharing arrangements. We found that two of the cost-sharing arrangements negotiated by the CHCS contracting officer were of uncertain value to the government because the offerors' proposed contributions were not adequately verified. As a result, Defense did not have all the information needed to negotiate a more advantageous arrangement.

Justification for Cost Sharing in Return for Data Rights

According to memorandums in the CHCS contract files, Defense does not need the unlimited rights to technical data and computer software which would otherwise accrue to the government under CHCS development contracts. Defense only needs certain restricted data and software rights. Specifically, it needs the right of third-party access to the commercial and developed portions of the technical data and computer software and documentation. This right—which also extends to other federal agencies—will enable Defense to recompete development, modification, enhancement, and maintenance of the software at a later date without having to pay for unlimited rights.

Defense believed that offerors interested in developing the CHCS would see an opportunity to market all or part of the system's software they developed under federal contracts to clients in the private sector. Thus, Defense anticipated that offerors would be interested in sharing development costs in order to obtain ownership of the technical data and computer software rights. For this reason, Defense encouraged them to propose cost-sharing or other cost-reduction arrangements in the Request for Proposals. One of the four offerors could not participate in cost sharing because, rather than developing its own software, the

offeror was using software previously developed at government expense by the Veterans Administration.[8]

Before Defense could negotiate cost-sharing arrangements in return for technical data and computer software rights, it had to obtain approval from the Defense Acquisition Regulatory Council, which is responsible for granting deviations from the mandatory data rights provisions.[9] In approving the deviation, the Council authorized the contracting officer to negotiate arrangements that would allow offerors to bear a portion of the systems development cost in return for the ownership of technical data and computer software rights. In Defense's request for a deviation, the contracting officer stated that if offerors are willing to bear a minimum of 40 percent of the development costs, the government will relinquish its unlimited rights. The Regulatory Council included this statement in authorizing the cost-sharing arrangements.

Two Offerors May Not Share Costs at Anticipated Levels

Of the three cost-sharing arrangements that Defense negotiated, only one involved the traditional cost-sharing scenario where Defense would pay a small percentage of the company's allowable costs and the company would absorb the remainder of the costs. In this situation, the agreed-upon level of cost sharing exceeds the 40-percent minimum required by the Regulatory Council. The other two arrangements involve significant degrees of uncertainty,[10] and it is unclear that the government received reasonable value for relinquishing its technical data and computer software rights. In one instance, the offeror's estimate of the cost to be shared was not verified. In the other case, the offeror's cost-sharing proposal was not audited. Without such verification and auditing, Defense cannot be certain that either offeror's participation in cost sharing will meet the 40-percent minimum that Defense stated was necessary before it relinquished unlimited rights.

Offeror's Estimate of Costs to Be Shared Was Not Verified

One offeror's arrangement proposed cost savings through what it referred to as a discount on certain cost items. The offeror's proposal stated that the offeror had persuaded its subcontractors to contribute

[8]The House Committee on Appropriations 1985 report directed that one of the CHCS offerors use and adapt existing Veterans Administration software.

[9]Department of Defense Federal Acquisition Regulation Supplement 48 CFR 227.403.

[10]Throughout this discussion, we have not identified the specific elements the offerors proposed for cost sharing and their dollar value because Defense has determined that such information is proprietary and of a procurement-sensitive nature.

all or part of these items at no cost to the government. The offeror stated that the government otherwise could have expected to incur the costs. The CHCS contracting officer accepted the offeror's estimate of the dollar value of the proposed contributed items without attempting to (1) verify the accuracy of their claimed value or (2) negotiate a better deal for the government.

Without verification of the value of the contributed items, it is unclear whether this offeror's proposal meets the 40-percent minimum cost-sharing requirement established by Defense. Therefore, it is not clear that the government received reasonable value for its relinquishment of technical data and computer software rights.

In commenting on a draft of this report, the CHCS contracting officer informed us that Defense has recently requested information from the offeror and its subcontractors on the basis for the estimated dollar value of the cost-sharing arrangement, which Defense will then forward to the Defense Contract Audit Agency (DCAA) for verification. We believe this action should lead to the resolution of our concern with this offeror's cost-sharing arrangement.

Offeror's Cost Elements Were Not Audited

A second offeror's arrangement proposed cost sharing by capping the government's share of two specific cost elements. For this arrangement to result in cost sharing, the company's actual costs—as determined by a DCAA audit—must exceed the level at which they are capped. According to the DCAA supervisor responsible for auditing this offeror, the actual costs reported in the offeror's revised (July 1986) proposal are substantially higher than forecasted by the company while DCAA was preparing its June 10, 1986, report. These increases were attributed to a change in the offeror's system development approach, which substantially reduced the role of subcontractors while increasing the offeror's direct participation in development.

The CHCS contracting officer had to determine the reasonableness of the offeror's purported actual costs in order to have an appropriate basis for negotiating a fair and reasonable cost-sharing arrangement. According to a July 29, 1986, memorandum from the CHCS contracting officer to DCAA, Defense was concerned about the unsubstantiated increase in the offeror's costs and requested an immediate reevaluation. According to the contracting officer, he accepted the offeror's cost-sharing proposal after an August 5, 1986, telephone conversation with

DCAA, which he said verified that the offeror's actual costs were significantly higher than the caps on those cost elements.

We found the contracting officer's basis for accepting this offeror's cost-sharing proposal was contradicted by information within DCAA's records. According to the DCAA supervisor responsible for audits of this offeror's cost-accounting system, DCAA did not have enough information to determine the reasonableness of one of the two cost elements. In addition, he stated that on August 26, 1986, DCAA verbally informed the contracting officer that its preliminary calculations showed one of the offeror's actual cost elements would be slightly above the proposed cap and that the reasonableness of the remaining cost element could not be determined on the basis of information within DCAA files. The contracting officer told us that he did not have that conversation with DCAA. We could not resolve the discrepancy between the contracting officer's and DCAA's records.

We found that the contracting officer's treatment of the offeror's cost-sharing proposal did not result in reasonable assurance of appropriate cost sharing because of the unsubstantiated nature of the one capped cost element. On the other hand, because the contracting officer did not perceive an uncertainty, he did not attempt to negotiate a better deal for the government. Nonetheless, without information confirming the reasonableness of the one capped cost element, it is unclear whether this offeror's cost-sharing proposal achieved the 40-percent minimum cost share established by Defense. Consequently, it is uncertain that the government received fair value for relinquishing technical data and computer software rights.

In commenting on a draft of this report, the contracting officer informed us that on March 30, 1987, he requested a DCAA audit of the cost elements we questioned. We believe this action should lead to resolution of our concern with this offeror's cost-sharing arrangement.

Conclusions

Defense is approaching the most critical decision-making phase of the CHCS acquisition—selection of a system or systems to install worldwide. Therefore, it is important to ensure that previous mistakes are not repeated. In our view, full compliance with Federal Acquisition Regulations is needed to minimize the potential for future protests, and ultimately, to support Defense's choice of a final contractor to implement CHCS. We believe greater presence, participation, and documentation of

discussions with contractors by the Information Systems Selection and Acquisition Activity is necessary to achieve full compliance.

In addition, Defense may have relinquished unlimited technical data and computer software rights in two of the three cost-sharing arrangements, without obtaining reasonable compensation from the offerors involved.

Recommendations to the Secretary of Defense

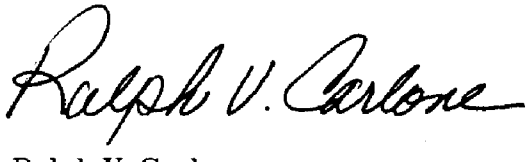
To help ensure that the CHCS acquisition schedule does not outweigh compliance with Federal Acquisition Regulations in the future, we recommend that you take affirmative steps to ensure that meaningful discussions are conducted and adequately documented for the balance of this procurement. Additionally, we recommend that you, with assistance from DCAA, determine the value of the cost-sharing arrangements, to ascertain whether the government received reasonable value for relinquishing its technical data and computer software rights, and, if necessary, renegotiate these arrangements.

Summary of Agency Comments

Although it did not always agree with our interpretation of acquisition events, Defense concurred with our recommendations. Defense stated that it will review its procedures concerning discussions with offerors and documentation of contract files and take action to implement all improvements identified in order to ensure full compliance with Federal Acquisition Regulations. In addition, Defense will reaudit and revalidate the cost elements on which cost-sharing arrangements are based. Further, in order to thoroughly assess the value of cost-sharing arrangements to the government, Defense will ask all offerors to submit bids for unlimited data rights as part of their stage II proposals.

We are sending copies of this report to the Chairmen of the House and Senate Committees on Appropriations, Armed Services, and Veterans' Affairs; Director, Office of Management and Budget; and will make copies available to others upon request.

Sincerely yours,



Ralph V. Carlone
Director

Objectives, Scope, and Methodology

Our objective was to determine whether the CHCS acquisition was being managed in accordance with congressional guidance, Federal Acquisition Regulations, applicable directives, and other management documents, including the approved Source Selection Plan.[1]

We conducted our evaluation at the Defense Medical Systems Support Center, Tri-Service Medical Information Systems program office, U.S. Army Information Systems Selection and Acquisition Activity, and CHCS Source Selection Evaluation Board facility. All are located in the Washington, D.C., metropolitan area. We reviewed and analyzed all required acquisition documents that were available, the Source Selection Plan, Source Selection Workbooks, and underlying documentation used in evaluating offerors' proposals to determine the rationale and support for Defense's decisions. To assess whether Defense complied with applicable Federal Acquisition Regulations and treated all offerors equally, we monitored and reviewed the steps taken in awarding initial system development contracts to competing offerors against the requirements of the Source Selection Plan. We also interviewed responsible officials, including the contracting officer, as part of our evaluation of Defense's process for choosing CHCS contractors. Additionally, we reviewed and evaluated the proposals that offerors submitted in response to the Request for Proposals, in order to assess the offerors' understanding of Defense's requirements and their responsiveness to CHCS specifications. We also reviewed the formal written questions that Defense provided offerors and the offerors' responses.

A part of our review was conducted at the General Services Administration and its Board of Contract Appeals, both in Washington, D.C. We reviewed pertinent documents and interviewed responsible officials to obtain an understanding of General Services' approval of an expansion in Defense's Delegation of Procurement Authority. We reviewed files at the Board of Contract Appeals, and Defense, and interviewed attorneys at both locations on the settlement allowing the two protesting offerors to reenter the competition.

Our audit work was performed over the 8-month period ending January 31, 1987, and was conducted in accordance with generally accepted auditing standards. Official comments on a draft of this report were obtained verbally from Defense and incorporated where appropriate.

[1]The CHCS Source Selection Plan is an approved internal management document containing Defense's acquisition strategy and detailing how it will be implemented. The plan is Defense's specific interpretation of how Federal Acquisition Regulations, policies, and directives will be applied in the CHCS acquisition.

Sequence of Key Events: CHCS Proposal Evaluations, Bid Protest Settlement, and Contract Award

Dates	Events
May 15, 1985	Defense issues request for proposal for CHCS design
November 12, 1985	Defense receives offerors proposals
March 28, 1986	Defense completes proposal evaluations—finds two unacceptable
April 2, 1986	Defense decides to eliminate two offerors from competition
April 7, 1986	CHCS contracting officer notifies eliminated offerors
April 21, 1986	Offerors file protests with General Services' Board of Contract Appeals
April 29, 1986	General Services' Board of Contract Appeals suspends the CHCS acquisition
April 29, 1986	Contracting officer notifies offerors they can reenter competition, if they will withdraw their protests
May 8, 1986	Defense and offerors agree to settlement—General Services' Board of Contract Appeals lifts suspension
June 30, 1986	Defense requests additional procurement authority to award contracts to up to four offerors
July 1, 1986	General Services approves Defense request
July 14, 1986	Defense receives offerors' revised proposals
August 20, 1986	Defense amends CHCS request for proposals to allow award of contracts to up to four offerors
August 26, 1986	Revised proposal evaluations completed—all four acceptable
September 10, 1986	Contracts awarded to all four offerors

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