



Decision

Matter of: Quantum Ventura, Inc.

File: B-423603

Date: July 23, 2025

Srini Vasan, for the protester.

Colonel Nina R. Padalino, Lieutenant Colonel Satura M. Gabriel, Timothy L. Kelly, Esq., and Isabell P. Cutting, Esq., Department of the Air Force, for the agency.

Heather Self, Esq., and Peter H. Tran, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging agency's evaluation of phase I proposal is dismissed as untimely where challenge is based on an alleged defect in the broad agency announcement that was apparent from the face of the announcement, but protest was not brought until after the closing date for submission of proposals.

DECISION

Quantum Ventura, Inc. (QV), a small business of San Jose, California, protests the rejection of its phase I proposal under Department of Defense (DOD), United States Special Operations Command (USSOCOM or SOCOM) Small Business Technology Transfer (STTR) broad agency announcement (BAA) No. SOCOM25D-004, which invited research and development proposals for down range crosswind sensing technologies. The protester contends the agency unreasonably rejected QV's proposal on the basis of submitting non-compliant pricing because any issues with QV's price submission were due to errors in the pricing template included in the BAA.

We dismiss the protest as an untimely challenge to the terms of the BAA.

BACKGROUND

The STTR program is a government-funded program that solicits proposals in three phases from domestic small business concerns to engage in federal research and development. *CMSoft, Inc.*, B-419370, Jan. 26, 2021, 2021 CPD ¶ 36 at 1. Agencies use the STTR program to award contracts or grants to small business concerns that participate in cooperative research and development. *Id.*; see also 15 U.S.C. § 638(e)(6). In phase I (project feasibility), the agency evaluates the scientific, technical and commercial merit of submitted ideas. *Id.* Phases II and III are not relevant here, but involve technology development and commercialization, respectively. *Id.*

On April 2, 2025, DOD issued its annual department-wide STTR BAA, under which SOCOM issued the topic-specific announcement at issue here, which sought phase I proposals for down range crosswind sensing technologies.¹ Req. for Dismissal (RFD) exh. A, DOD-BAA at 1; RFD exh. B, SOCOM-BAA at 6. Specifically, SOCOM sought proposals “to develop applied research towards developing the capability to measure down range crosswind for long range precision small-arms engagements.” RFD exh. B, SOCOM-BAA at 7. Offerors were required to submit proposals through the Defense SBIR/STTR Innovation Portal (DSIP).² *Id.* at 1.

Relevant here, the announcement required proposals to include a cost volume and provided that “[a] minimum of 40 [percent] of the research and/or analytical work in Phase I must be conducted by the proposing firm.” RFD exh. B, SOCOM-BAA at 2. An additional minimum 30 percent of the research and analytical work was required to “be conducted by a not-for-profit (typically an education institution or laboratory).” *Id.* The announcement also required offerors to submit a prescribed “cost volume template” to be “located on DSIP during proposal submission,” and explained that “[o]nce the proposal is initiated in DSIP, the Offeror will gain access to the required USSOCOM specific Cost Volume instructions and template.” *Id.*

With respect to evaluation, the announcement established the agency would conduct an initial responsiveness assessment, and that “[n]on-responsive proposals will not be evaluated.” RFD exh. B, SOCOM-BAA at 4. Relevant here, the announcement advised “[p]roposals that do not comply with the requirement that 40 [percent] of the work be executed by the proposing firm and 30 [percent] of the work be executed by one partnering nonprofit research institution” would be deemed non-responsive. *Id.* The DOD-wide announcement established a due date for phase I proposals of 12 p.m. Eastern Time on May 21, 2025. RFD exh. A, DOD-BAA at 1.

On May 21 at 9:56 a.m., QV submitted its phase I proposal through DSIP. Protest attach. D, QV Cost Volume Summary at 1. The record shows QV’s cost volume summary proposed a total amount of \$209,757, of which the partner research institution (RI) was to account for \$106,676 and QV was to account for the remaining \$103,081--an approximate 51/49 percent split between the RI and QV, respectively. *Id.* at 1-2. The record also reflects that QV submitted a cost volume template Excel workbook in DSIP as part of the proposal submission process. See *generally* RFD exh. G, QV Cost Volume Workbook (QV Cost Vol. Wkbk.).

The cost volume template offerors were required to submit through DSIP consisted of the following worksheets: General; Total Cost Proposal; Subcontractor; Consultants; Materials-Supplies; Equipment; Travel; and Other Direct Costs (ODC) Details. See *generally* RFD exh. G, QV Cost Volume Workbook (QV Cost Vol. Wkbk.). The template

¹ Our citations use either the Adobe PDF pagination or Microsoft Excel cell numbers of documents in the record.

² SBIR refers to the Small Business Innovation Research program.

also included several instructions on how to complete the template. Relevant here, on the first worksheet, the template instructed offerors to **“ENTER FULLY LOADED BURDEN RATES EXCEPT FOR EQUIPMENT AND TRAVEL WHERE NO PROFIT OR INDIRECTS SHOULD BE INCLUDED.”** *Id.* at “General” wksht. row 12. On the second worksheet, the template again instructed offerors to “Make sure the rates entered are fully loaded,” and included cost columns labeled **“LOADED RATE.”** *Id.* at “Total Cost Proposal” wksht. cells B37, E7, H7.

The record shows that unlike QV’s cost volume summary, which reflected a total proposed cost of \$209,757, QV’s cost volume template reflected a total proposed cost of \$150,626. RFD exh. G, QV Cost Vol. Wkbk. at “General” wksht. cell D35, and at “Total Cost Proposal” wksht. cell K33. The lower total cost reflected in QV’s template was broken down between total labor in the amount of \$47,450 and total subcontractor/consultant in the amount of \$103,176. *Id.* at “General” wksht. cells C19-D19, C21-D21, and at “Total Cost Proposal” wksht. cells K21, K25. QV did not propose any costs for materials, equipment, travel, or ODCs. *Id.* at “General” wksht. cells D23, D25, D27. As noted above, QV’s cost volume summary reflected that QV would perform approximately 49 percent of the work. In contrast, QV’s cost volume template reflected the firm would perform approximately 31.5 percent of the work.

On June 2, the agency notified QV that its proposal would “not receive an evaluation for further consideration for award” because the proposal was “non-responsive.” RFD exh. C, Rejection Notice at 1. Specifically, the agency advised QV that its “proposal did not meet the Prime/Subcontracting requirements of a minimum of 40 [percent] of the research and/or analytical work in Phase I must be conducted by the proposing firm.” *Id.* On June 9, this protest followed.

DISCUSSION

The protester contends that, contrary to the finding in the agency’s rejection notice, QV “fully complied with this prime/subcontractor requirement,” and that “[t]he misunderstanding arises entirely from deficiencies in the USSOCOM-provided cost spreadsheet.” Protest at 2. Specifically, the protester argues, the “spreadsheet omitted critical columns necessary for accurately representing Labor Overhead, General & Administrative (G&A) expenses, and profit.” *Id.* The protester maintains that “[d]ue to the spreadsheet deficiencies, we were unable to explicitly reflect the labor overhead cost. . . , G&A cost. . . , and profit.” *Id.* The protester asserts that “[n]evertheless, the total research institution budget and total proposed budgets shown in our Cost Volume PDF, confirm [QV] fully meets and exceeds the 40 [percent] prime contractor requirement.” *Id.* (citing Protest attach. D, QV Cost Volume Summary). The protester insists that QV’s cost volume submission “complies fully with solicitation requirements,” and that “[t]he agency’s reliance on its deficient spreadsheet format should not penalize [QV]’s accurate and compliant proposal.” *Id.* at 3.

The agency requests that we dismiss the protest as an untimely challenge to the terms of the announcement. RFD at 1. The protester objects to dismissal, arguing “that the

absence of overhead, G&A, or profit line items in the cost template constituted a latent ambiguity--one not apparent on the face of the solicitation, but only revealed when [QV] learned of the agency's interpretation upon its June 2, 2025 rejection notice." Resp. to RFD at 1. We disagree.³

Our Bid Protest Regulations contain strict rules for the timely submission of protests. The timeliness rules reflect the dual requirements of giving parties a fair opportunity to present their cases and resolving protests expeditiously without disrupting or delaying the procurement process. *Global Aerospace Corp.*, B-414514, July 3, 2017, 2017 CPD ¶ 198 at 6. Our timeliness rules specifically require that a protest based upon alleged solicitation improprieties that are apparent prior to the closing time for submission of proposals must be filed before that time. 4 C.F.R. § 21.2(a)(1); *GSE, Inc.*, B-415135, Sept. 22, 2017, 2017 CPD ¶ 294 at 3. For protests other than those based on alleged improprieties that are apparent from the face of a solicitation, our timeliness rules require that a protester file no later than 10 calendar days of when the protester knew, or should have known, the basis of protest. 4 C.F.R. § 21.2(a)(2); *Millennium Space Sys., Inc.*, B-406771, Aug. 17, 2012, 2012 CPD ¶ 237 at 3-4.

The agency maintains that "the instructions provided throughout the spreadsheet template explicitly state to provide fully loaded burden rates." RFD at 4 (citing RFD exh. G, QV Cost Vol. Wkbk.). The agency argues that "[i]f QV believed the solicitation instructions or spreadsheet lacked clarity, such concerns should have been brought forth prior to May 21, 2025, the due date for proposals." RFD at 4.

The protester responds that it "is typical in Department of Defense SIBR/STTR competitions" for offerors "to itemize direct labor and material costs **as well as indirect costs**" such as overhead, G&A, and profit. Resp. to RFD at 1. In the protester's view, it is "unusual" that the agency provided a cost template that "omitted any dedicated columns or fields for overhead, G&A, or profit," and instead instructed offerors "to use 'fully loaded' labor rates." *Id.* The protester also notes that the SOCOM-BAA "did not further define 'fully loaded' or explicitly prohibit offerors from separately identifying indirect costs." *Id.* The protester maintains that QV "reasonably understood the term 'fully loaded'" in a manner "consistent with the customary SBIR cost breakdown approach," and that it was not until receipt of the agency's June 2 rejection notice that QV learned SOCOM "interpreted the 'fully loaded rates' instruction to mean that offerors were to bury all indirect costs and profit within their labor rate figures, *and that no separate indirect cost lines were permitted.*" *Id.*

The protester argues that the cost volume template's instruction to use fully loaded rates constitutes a latent ambiguity, which QV timely protested within 10 days of

³ Our decision does not discuss in detail every argument, or permutation thereof, raised by the protester. We have considered all of the protester's arguments, however, and conclude that none provides a basis for finding the protest timely.

becoming aware of the agency's interpretation of the instruction.⁴ Resp. to RFD at 2. Specifically, QV asserts:

The solicitation did not contain any explicit prohibition against detailing indirect costs; it simply provided a spreadsheet that lacked those line items. The instruction to use "fully loaded labor rates" was itself susceptible to multiple reasonable interpretations. One offeror might interpret "fully loaded" to mean "inclusive of fringe benefits and applicable indirect costs," whereas another might interpret it to mean "inclusive of fringe only, with other indirects to be shown elsewhere," or simply as a general phrase without grasping that the agency intended to fundamentally deviate from the customary SBIR cost breakdown format. Indeed, the **DOD SBIR/STTR standard** cost volume template (familiar to many small business offerors) typically includes dedicated fields for overhead, G&A, and profit. Nothing in the SOCOM solicitation drew attention to the removal of these fields or plainly warned "**Do not separately include overhead/G&A/profit; all such costs must be built into labor rates.**" The lack of indirect cost columns was a design choice that could have been an oversight or a deliberate simplification--its true import was **not obvious on the face of the solicitation.**

Id. at 3. In sum, the gravamen of QV's argument is that "[t]he phrase 'fully loaded labor rates' is not a term of art with a single, unambiguous definition." *Id.* at 4.

When a dispute exists as to a solicitation's requirements, we will first examine the plain language of the solicitation and will resolve the dispute by reading the solicitation as a whole and in a manner that gives effect to all of its provisions. *CMSOft, Inc., supra* at 4. To be reasonable, and therefore valid, an interpretation must be consistent with the

⁴ The protester also insists that the fact that QV was able to submit its proposal through the DSIP portal confirms the proposal was compliant. Resp. to RFD at 3. Specifically, the protester claims "the DOD SBIR/STTR portal [*i.e.*, DSIP] enforces compliance with the required minimum percentage allocations" and "[h]ad [QV] failed to meet the minimum 40 [percent]/30 [percent] allocation, the system would have prevented submission entirely." *Id.* This assertion, however, is refuted by the plain language of the announcement, which cautioned:

It is the Offeror's responsibility to ensure compliance with all DOD and USSOCOM instructions to submit all required documents. *The DSIP* (DOD's SBIR/STTR proposal submission website) will only confirm that the upload process is complete with the notice "100 [percent] submitted"; it *does not verify compliance with instruction* or successful upload of all required documents.

RFD exh. B, SOCOM-BAA at 1 (emphasis added). Accordingly, we find no merit to the protester's contention that QV's proposal must have been compliant otherwise it would have been unable to submit it through DSIP.

solicitation when read as a whole and in a reasonable manner. *Id.*; *Crew Training Int'l, Inc.*, B-414126, Feb. 7, 2017, 2017 CPD ¶ 53 at 4. If the solicitation is unambiguous our inquiry ceases; an ambiguity exists, however, where two or more reasonable interpretations of the terms of the solicitation are possible. *Perimeter Security Partners, LLC*, B-422666.4, Mar. 11, 2025, 2025 CPD ¶ 72 at 5-6; *CMSOft, Inc.*, *supra* at 4.

Here, we conclude there was no ambiguity in the announcement. Rather, we find QV's interpretation of the announcement unreasonable because it fails to read the cost volume template as a whole. The protester acknowledges that the cost volume template's instructions required offerors to submit fully loaded burden rates and also acknowledges that the template did not include columns for offerors to enter indirect costs such as overhead, G&A, and profit. The protester takes issue with both of these purported defects individually--arguing that "fully loaded" is not a single unambiguous term and that the lack of columns for indirect costs deviated from standard STTR cost proposal practices.⁵

The protester's arguments, however, fail to account for the clarity that results from reading these elements together. When read as a whole, the instruction to propose fully loaded rates coupled with the templates' distinct lack of columns for entry of indirect costs, clearly indicated that offerors were to include all indirect costs in their proposed labor rates--*i.e.*, to submit fully loaded rates. Further, we note that "fully loaded" or "fully burdened" are common terms used in the federal procurement space.⁶ See *e.g.*, *Arch Sys., LLC*; *KEN Consulting, Inc.*, B-415262, B-415262.2, Dec. 12, 2017, 2017 CPD ¶ 379 at 9 n.8 (explaining "where an agency requests burdened and unburdened labor rates in a solicitation, the agency may not rely upon fully-burdened labor rates to

⁵ With respect to the protester's arguments that SOCOM's requirement to propose fully loaded labor rates deviated from common STTR cost proposal practice, and that SOCOM failed to call out this deviation clearly in the announcement, our Office has recognized that each procurement stands on its own. *CMSOft, Inc.*, *supra* at 4 n.3. Accordingly, the assertion that the agency's requirement for offerors to propose labor rates inclusive of indirect costs differed from past practice in other procurements does not establish that the agency's current requirement or its interpretation of the phrase fully loaded burden rates is unreasonable.

⁶ To the extent, however, that either the phrase "fully loaded" or the cost volume template's specific use of that phrase was not clear, the lack of clarity was evident from the face of the cost volume template. Thus, to the extent there was any ambiguity in the announcement, it was patent, rather than latent as claimed by the protester. As our Office has explained, patent ambiguities are those that are obvious from the face of a solicitation while latent ambiguities are more subtle and often come to light only in the context of an agency's evaluation under the ambiguous solicitation. See *Ashe Facility Servs., Inc.*, B-292218.3, B-292218.4, Mar. 31, 2004, 2004 CPD ¶ 80 at 11. As any ambiguity that may have existed here was patent, QV was required to protest the alleged ambiguity prior to the time set for submission of proposals. 4 C.F.R. § 21.2(a)(1); *Perimeter Security Partners, LLC*, *supra* at 9.

evaluate offerors' compensation because the fully-loaded rates include direct labor as well as indirect costs"); *MicroTechnologies, LLC*, B-413091, B-413091.2, Aug. 11, 2016, 2016 CPD ¶ 219 at 11 ("Although the agency [did] not provide documentation that explains the components of each offeror's fully-burdened rates, they were presumably cost elements such as . . . salaries, fringe, overhead, G&A, and fee/profit.").

We find that the protester's challenge to the evaluation of the firm's proposal, which is grounded on the protester's assertion that the agency's cost template was defective, is an untimely challenge to the cost template's clear instruction for offerors to propose fully loaded burden rates, and we dismiss the protest accordingly. 4 C.F.R. § 21.2(a)(1); see e.g., *CMSOft, Inc.*, *supra* at 6; *GSE, Inc.*, *supra* at 3 (dismissing as untimely post-evaluation challenges to terms of BAA that were clearly apparent prior to the due date for receipt of proposals but were not brought until after that date).

Additionally, we note that while the protester contends it could not have understood that the agency wanted offerors to include all indirect costs in the "fully loaded" rates--because the announcement failed to state that no separate indirect cost lines were permitted or otherwise explicitly prohibit the inclusion of indirect costs--QV did not, in fact, break out or detail any indirect costs in its proposal. See *generally* RFD exh. G, QV Cost Vol. Wkbk. at "Total Cost Proposal" wksht. Nor did QV include any breakdown or details of its indirect costs in the 2-page cost summary submitted as part of its proposal. See *generally* Protest attach. D, QV Cost Volume Summary. Accordingly, even if we were to accept, as reasonable, QV's interpretation of the announcement as permitting offerors to break out or detail indirect costs in lieu of proposing fully loaded rates--which we do not--the record reflects that even under its own interpretation, QV failed to submit a compliant cost proposal because it did not include a breakdown of the firm's indirect costs. See e.g., *HMX, Inc.*, B-291102, Nov. 4, 2002, 2003 CPD ¶ 52 at 6 (dismissing as untimely post-award challenge to BAA terms where protester's decision to submit proposal that included firm's objections, rather than challenging terms before due date for proposals, meant protester "relinquished its power to protest the issue").

Finally, as set forth above, the cost volume template, required to be submitted by offerors, was referenced in the BAA, but was not included as an attachment to the announcement. Rather, the announcement explained that offerors would be given access to the "USSOCOM specific Cost Volume instructions and template" after they started the proposal submission process through DSIP. RFD exh. B, SOCOM-BAA at 2. To the extent the protester's latent ambiguity contentions can be read as an argument that the requirement to propose fully loaded rates was not apparent from the face of the announcement--because the cost volume template and instructions were not provided to offerors until the time when proposal submission was initiated--our timeliness rules would have required that QV protest the alleged defect within 10 days of when QV knew, or should have known, of the defect. 4 C.F.R. § 21.2(a)(2).

The record demonstrates that the date on which the protester became aware of the cost volume template's instruction to use fully loaded burden rates was May 21--the day QV submitted its proposal. Protest attach. D, QV Cost Volume Summary at 1. Thus, to the

extent QV believed the phrase fully loaded burden rates was an unclear term or that the template's instructions or lack of columns for indirect costs somehow conflicted with the announcement's instructions or with standard SBIR/STTR cost proposal practice, QV was required to file its protest no later than June 2.⁷ The protest was not filed, however, until June 9, which was 19 days after the latest possible date on which the protester can be said to have gained knowledge of the alleged solicitation defect forming the basis of QV's protest. Accordingly, applying even the most generous reading of our timeliness rules to QV's protest, the protest is untimely. See e.g., *Millenium Space Sys., Inc.*, *supra* at 6; *Global Aerospace Corp.*, *supra* at 8-9 (dismissing challenge to eligibility of another awardee where protester admitted it knew the basis of protest on March 8 but did not protest until March 27).

The protest is dismissed.

Edda Emmanuelli Perez
General Counsel

⁷ The tenth day from May 21 was May 31, which was a Saturday. Our regulations provide that when the last day of the 10-day period is a Saturday, Sunday, or Federal holiday, the period extends to the next day that is not a Saturday, Sunday, or Federal holiday. 4 C.F.R. § 21.0(d). Here, the next day after May 31 that was not a Saturday, Sunday, or Federal holiday was Monday June 2.