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Decision

Matter of: The Lioce Group, Inc.

File: B-423797

Date: December 22, 2025

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DIGEST

Protest that award is improper because the agency failed to adhere to reverse auction instructions is denied where the agency's evaluation was reasonable and consistent with the reverse auction procedures.

DECISION

The Lioce Group, Inc. (TLG), a small business of Huntsville, Alabama, protests the award of a contract to Cartridge Technologies, LLC (CTI), of Rockville, Maryland under request for quotations (RFQ) No. SP7000-25-Q-0005 issued by the Defense Logistics Agency for up to a 60-month lease of 152 multi-functional devices (MFDs), accessories and services in support of the Headquarters Army Materiel Command. The protester contends that the agency failed to adhere to reverse auction instructions when it selected CTI for award.

We deny the protest.

BACKGROUND

The agency issued the combined synopsis/solicitation on June 11, 2025, and sought quotations for the lease of MFDs and related services that included delivery, installation, end-user training, full-service maintenance, technical refresh, and network security. Agency Report (AR), Tab B, RFQ at 2; Contracting Officer's Statement and

Memorandum of Law (COS/MOL) at 2.¹ The agency anticipated award of one fixed-price contract for up to 60 months. RFQ at 2. The award was to be made to the lowest-priced, technically acceptable (LPTA) vendor.² *Id.* at 2, 4. Vendors had to submit quotations in four different parts, including one part for each of the evaluation factors, technical, past performance, and price.³ *Id.* at 4. After quotations were evaluated, vendors deemed technically acceptable would receive an invitation with additional instructions for participation in the reverse auction price competition. See AR, Tab C, RFQ attach. 8, Reverse Auction Instructions at 2-3.⁴

In response to the RFQ, DLA received six quotations and after evaluation, four of the quotations were determined technically acceptable. COS/MOL at 2. On July 22, 2025, the contracting officer invited the four vendors to participate in the agency's reverse auction.⁵ *Id.* at 3; See AR, Tab D, Reverse Auction Notices Email. The agency issued the reverse auction instructions via email with details for a mock auction and the final auction. AR, Tab D, Reverse Auction Notices Email at 2-4. As relevant here, the notice stated, in part:

Vendor submitted quot[ation] pricing will be entered into Procurex as initial bids (Reverse Auction Only).

¹ Unless otherwise noted, citations refer to the Adobe PDF page numbers of referenced documents.

² Although a vendor submits a quotation in response to a request for quotations, and a bidder submits a bid under a reverse auction, the record and the parties' briefings use the terms offerors, vendors, bidders, quotes, quotations, proposals, and bids interchangeably. Due to the RFQ and reverse auction elements under this procurement, this decision uses the terms vendors, quotations, bidders and bids for the sake of consistency.

³ The evaluation factors were price, technical capability and past performance. RFQ at 4. To be considered for award, vendors were required to submit "descriptive product literature/technical information" to demonstrate that the products met the agency's minimum requirements. *Id.*

⁴ The RFQ contained Federal Acquisition Regulation (FAR) provision 52.217-10. The provision defined "reverse auction" as "the process for obtaining pricing, usually supported by an electronic tool, in which offerors see competing offerors' price(s), without disclosure of the competing offerors' identity, and have the opportunity to submit lower priced offers until the close of the auction." AR, Tab I, RFQ attach. 1 at 7.

⁵ The auction was conducted through a commercial, third-party reverse auction system provider, Procurex, Inc. See AR, Tab C, RFQ attach. 8, Reverse Auction Instructions at 2, 3.

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During the final blind bid period, bidders will not be able to see the leading low final bid until the auction has completed. Once the final blind bid period begins, offerors only have one opportunity to enter a final blind bid.

AR, Tab D, Reverse Auction Notices Email at 2.

Additional auction instructions provided that the reverse auction would take place on July 29, 2025, from 1:00 p.m. to 2:00 p.m. Eastern Time with the first 45 minutes as “regulation bidding,” where the “leading low bid” would be visible and where bidders could enter multiple bids. *Id.* at 4-5. The remaining 15 minutes of the reverse auction was the “blind bid period” where, as previously noted, vendors could not view the “leading low bid” until after completion of the auction. *Id.* Relevant here, bidders were advised that “[a]ny items that you bid on in regulation you can bid one more time during Final Blind mode. If you do not bid on an item in regulation, you cannot bid on that item in Final Blind [m]ode.” *Id.* at 2. Furthermore, the instructions advised that “[a]ll vendor quotation pricing will be entered into Procurex to establish initial pricing. The lowest quotation price total for the requirement will be used as the initial low of the reverse auction.” *Id.* at 4; COS/MOL at 4.

The reverse auction was conducted on July 29, 2025. AR, Tab D, Reverse Auction Notices Email at 4. Before the start of the regulation bid period, the agency input into Procurex the price from the initial quotations for the technically acceptable vendors, to include the prices for TLG and CTI. AR, Tab E, Procurex Event Bidding Report at 3-4; COS/MOL at 4. At the start of the regulation bidding period, CTI’s lowest bid price of \$2,278,205.40 was visible to all vendors participating in the reverse auction. AR, Tab E, Procurex Event Bidding Report at 3. At 1:09 p.m., the protester submitted a bid of \$2,277,205.40 and was identified in Procurex as the new lowest-priced bid. *Id.* at 4. The protester submitted another bid at 1:44 p.m., before the regulation bidding period ended.⁶ *Id.* During the blind bid period, all of the vendors submitted bids between 1:48 p.m. to 1:59 p.m. Relevant here, CTI submitted a bid of \$1,947,337.06 at 1:53 p.m. followed by TLG’s submission of \$1,997,500.00 at 1:59 p.m. *Id.* At the conclusion of the reverse auction, the agency determined CTI submitted the lowest bid price and was therefore the LPTA vendor. See *id.*, COS/MOL at 5. Based on these results, the agency made award to CTI and TLG’s protest followed.

DISCUSSION

TLG asserts that it was the only bidder that actively participated during the regulation bidding period, thus its bid during the blind bid period was the only valid bid. Comments at 3. As a result, the agency should have selected TLG as the lowest-priced bidder. *Id.*

⁶ The protester was the only bidder to submit additional bids during regulation period. AR, Tab E, Procurex Event Bidding Report at 3-4.

at 3-4. The protester argues that the agency violated its own instructions when it made award to CTI because the awardee failed to submit a bid during the regulation bidding period and therefore should not have been allowed to submit a bid during the blind bid period. Protest at 4-6; Comments at 3-4. The protester acknowledges the solicitation instructions indicating that “[v]endor submitted quot[ation] pricing will be entered into Procurex as initial bids,” but contends that the instructions required bidders “to submit a bid during [r]egulation [b]idding if they wanted to bid during [f]inal [b]lind mode.”⁷ Comments at 3.

The agency contends that it properly selected CTI as the technically acceptable vendor that submitted the lowest-priced bid. COS/MOL at 5,7, 11. Based on the reverse auction instructions, specifically the statement that “[a]ll vendor quot[ation] pricing will be entered into Procurex to establish initial pricing . . . [t]he lowest quot[ation] price total . . . will be used as the initial low of the reverse auction,” the agency argues that initial bids, even if input by the agency, complied with the reverse auction procedures. Agency Briefing at 3; AR, Tab D, Reverse Auction Notices Email at 4.

In support of its view of the procedures, the agency points out that when the regulation period commenced, CTI’s lowest-priced bid of \$2,278,205.40 was visible to bidders, which showed that the pricing from vendors’ quotations was utilized as the initial bid. COS/MOL at 7; Agency Briefing at 3. The agency further points to TLG’s statement in its protest acknowledging that “[w]hen the auction opened, the starting price was approximately \$2.2 million.” COS/MOL at 7 (citing Protest at 3). Given this statement, the agency argues that the protester was aware at the time the regulation bidding period started that another bidder had submitted a lower bid. *Id.* The agency asserts that each bidder properly participated during the regulation bidding period and was “entitled to bid during the Final Blind mode.” Agency Briefing at 4. The agency also explains that the awardee was the “known leading low bidder during the first 9+ minutes” of regulation bidding period eligible to bid during the final blind mode period. *Id.*

Where a protester and agency disagree over the meaning of solicitation language, we will resolve the matter by reading the solicitation as a whole and in a manner that gives effect to all of its provisions; to be reasonable, and therefore valid, an interpretation must be consistent with the solicitation when read as a whole and in a reasonable manner. *GBK Partnership, LLC-Constant Associates, Inc.*; B-417039, Jan. 24, 2019, 2019 CPD ¶ 30 at 4; *Alluviam LLC*, B-297280, Dec. 15, 2005, 2005 CPD ¶ 223 at 2.

On this record, we find the agency reasonably conducted the reverse auction in a manner consistent with the solicitation and reverse auction instructions. The protester’s

⁷ Additionally, the protester initially alleged that the agency violated DLA directive [DLAD] 15.407-90 when the agency did not utilize the “Lead/Not Lead” function during Final Blind Mode, but the protester subsequently withdrew this argument. See Comments at 1.

dispute centers on whether the solicitation permitted the agency to input quotation pricing on behalf of bidders at the start of the regulation bidding period. Stated otherwise, the question is whether the RFQ required bidders to actively participate during the regulation bidding period, or whether they could rely on their quotation pricing input into the reverse auction system in order to participate during the final blind bid mode phase.

As explained above, the reverse auction instructions provided to all vendors, including the protester, explicitly stated that vendors' quotation pricing would be entered into Procurex to establish initial pricing, and that the lowest quotation price would be used as the initial low of the reverse auction. AR, Tab D, Reverse Auction Notices Email at 4. All vendors were thus notified that the prices submitted with their quotations would be used as their initial bids in the reverse auction. Although the reverse auction instructions also stated that if a vendor did not bid during the regulation bidding period it would not be allowed to bid during the blind bidding period, this language did not require vendors to submit a bid superseding the quotation prices during the reverse auction in order to qualify to submit a bid during the blind bidding period. Thus, TLG's claim that it was the only eligible vendor to bid during the blind bidding period because it was the only vendor that actively submitted an additional bid during the regulation bidding period is not supported by the reverse auction instructions.

Moreover, the protester has acknowledged that it saw the lowest-priced bid when the reverse auction began and that it submitted a "modest opening bid to take the lead" as lowest-priced bidder. Protest at 3. The protester also states that it contacted the contracting officer during the auction to confirm its understanding that it was the only active participant during the regulation bidding period, and the contracting officer informed the protester that vendors were not required to submit bids during the regulation bidding period because their quotation pricing had already been entered into Procurex as initial bids before the auction started. *Id.* at 3. Thus, the protester admits it was aware that other vendors' bids were already in the reverse auction--and TLG actively bid against them--and that the agency considered the initial quotation pricing to be legitimate bids submitted during the regulation bidding period. The protester's allegations are therefore contradicted by its actions during the reverse auction, where the protester entered bids during the regulation bidding period to take the lead as the low-bidder, was advised by the agency that there were competing bids during the regulation bidding period, and when the protester submitted a lower bid during final blind bid mode phase.

In light of the above, the protester has not demonstrated that the agency violated the solicitation or reverse auction instructions, and there is no basis to conclude that the agency was unreasonable in its conduct of the reverse auction. As a result, we find that DLA's evaluation was reasonable because it was consistent with the instructions, specifically that the instructions did not require bidders to actively participate during the regulation bidding period to compete during the blind bid phase of the auction.

The protest is denied.

Edda Emmanuelli Perez
General Counsel