



Decision

Matter of: Oready, LLC

File: B-423934

Date: January 9, 2026

Mike Farro for the protester.

William B. Blake, Esq., Department of the Interior, for the agency.

Christine Martin, Esq., and Tania Calhoun, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest that the agency unreasonably determined that the protester's proposal failed to conform to the terms of the solicitation is denied where the record shows that the agency evaluated the proposal in accordance with the terms of the solicitation and applicable procurement regulations.

DECISION

Oready, LLC, a small business of Las Vegas, Nevada, protests the exclusion of its proposal from consideration for award under request for proposals (RFP) No. 140L3725R0012, issued by the Department of the Interior, Bureau of Land Management, for warehouse services. Oready argues that the agency unreasonably determined that its proposal failed to conform to the terms of the RFP, or, alternatively, that the RFP contains a latent ambiguity.

We deny the protest.

BACKGROUND

The agency issued the RFP on August 18, 2025, as a total small business set-aside pursuant to Federal Acquisition Regulation (FAR) parts 12 and 15, for warehouse services to support the Ely Regional Seed Warehouse in Ely, Nevada. Agency Report (AR), Tab 2, RFP at 1; RFP, Performance Work Statement (PWS) at 7. The contractor is to provide up to six employees to work up to 40 hours a week to support federal employees with seed mixing, storage, general warehousing work, and other duties as assigned. *Id.* The contractor is to pay its employees consistent with one of two Service Contract Act (SCA) labor categories: material handling laborer or warehouse specialist,

and provide all payrolling services for these employees. PWS at 7-8.¹ The contractor is to provide four or five material laborers and one or two warehouse specialists. *Id.* at §§ 3.A, B at 9.

The RFP contemplated the award of a fixed-price contract to be performed over a 1-year base period and four 1-year option periods. RFP at 1; PWS at 7. Award would be made to the offeror presenting the best value to the government considering price and three non-price factors that are not at issue here. RFP at 15. The RFP stated that proposals were to include firm-fixed-prices. RFP at 1; PWS at 7. The schedule of services included five contract line item numbers (CLIN), and each CLIN included both labor categories identified above. Each CLIN stated that “Quoted Contract Hourly Rate shall be in accordance with the Service Contract Act.” RFP at 2-6. The RFP reiterated several times that the proposed hourly rate for each labor category was to include such costs as “[p]ersonnel recruitment costs” and “[h]iring and payroll services costs.” *Id.* at 2-6; PWS at §§ 1 at 9, 2 at 9. The RFP included a bid schedule sheet² offerors were to submit with their proposals. This sheet explains how offerors were to submit their price proposals. PWS at 8. The bid schedule sheet stated:

Quoted Contract Hourly Rate shall be in accordance with the Service Contract Act covering paid Federal holidays and withholding all required payroll taxes. Bid rate must include the minimum wage rate, health and welfare benefits, contractor’s overhead costs and all associated fees and charges, costs associated with recruitment, hiring, and on-boarding, and contractor profit.

AR, Tab 3, RFP, Bid Schedule Sheet at 1.

The bid schedule sheet included the heading “Contract Hourly Rate,” and a table with two rows for each labor category and five columns for the base year and option year prices. The bid schedule sheet listed the minimum wage rates and health and welfare benefits for the two labor categories. *Id.* In evaluating price, the RFP provided that the government would add the total price for the basic requirement to the total price for all options. RFP at 29.

The agency received seven proposals by the submission due date, including Oready’s Contracting Officer’s Statement at 4. The agency noted that Oready submitted its prices as total annual costs for each labor category rather than providing hourly rates. *Id.*; AR, Tab 4, Oready Bid Schedule Sheet. The contracting officer emailed Oready to

¹ Some portions of the PWS include numbered paragraphs. Citations are made to pages or paragraphs depending upon which is more precise.

² The RFP includes several references to “bids” and the “bid schedule.” We note for the purpose of clarity that this solicitation is not an invitation for bids and was not conducted pursuant to FAR part 14. RFP at 1-2.

notify it that its proposal would not be considered further because it did not submit hourly-rate pricing for each labor category. AR, Tab 6, Email from Agency to Oready, Sept. 12, 2025. Oready asked the agency to reconsider, arguing that the RFP contained an inconsistency--portions of the RFP directed offerors to submit lump sums, while other portions of the RFP directed offerors to propose hourly rates. AR, Tab 7, Email from Oready to Agency, Sept. 16, 2025 (8:32 a.m.). The agency denied the request, contending that the RFP clearly required fixed hourly rates and that if Oready believed the RFP was unclear or inconsistent, it should have raised this issue prior to the due date for proposal submission. AR, Tab 7, Email from Agency to Oready, Sept. 17, 2025 (6:45 a.m.). This protest followed.

DISCUSSION

Oready primarily asserts that the agency unreasonably rejected its proposal. Oready asserts that the RFP directed offerors to submit their prices for each labor category as a firm-fixed-price, meaning in a lump sum, and provided that proposals would be evaluated based on total price. Oready contends that it conformed to these requirements by providing its prices in lump sums. Oready also asserts that to the extent that the RFP can be read as requiring prices to be submitted in hourly rates, the RFP is latently ambiguous.³ Oready contends that it properly relied on the more prominent instructions requiring fixed prices and that the requirement to provide hourly rates was not known to Oready until it received the agency's email rejecting its proposal. Oready reasons that since it was unaware that the agency desired prices to be provided at hourly rates until it received the email, the RFP's instructions were latently ambiguous. Comments at 3, 6-7.

The agency responds that it reasonably rejected Oready's proposal and that the RFP is not ambiguous. The agency acknowledges that the RFP makes one reference to firm-fixed-price proposals and one reference to a firm-fixed-price contract, and that the evaluation criteria states that the agency will add the total price of the basic requirement to the total price of the option years. The agency contends that this language, when considered with the requirement to provide hourly rates, indicated that offerors were to propose fixed hourly-rates for each labor category. Memorandum of Law at 3. The

³ Oready raised several additional untimely challenges to the terms of the RFP. Among other things, Oready asserts that the RFP should have included FAR clause 52.222-43; that the RFP was unclear whether hourly rates should be proposed as a single blended rate or separate rates; that the RFP contained contradictory requirements regarding how options would be evaluated; that the RFP creates an unacceptable risk of an unauthorized personal services contract; and that the RFP includes ancillary defects that demonstrate a lack of due care. Protest at 4-5; Comments at 6-7. To be timely, challenges to alleged solicitation improprieties must be raised prior to the date set for receipt of proposals. 4 C.F.R. § 21.2(a)(1). All of Oready's challenges were raised after that date. Accordingly, we dismiss these allegations as they were untimely raised.

agency explains that the fixed-price terminology was included to make it clear that hourly rates had to be fixed, not to indicate that prices should be provided in fixed lump-sums or total annual amounts. *Id.* at 4. The agency also responds that even if we were to determine that there is an ambiguity regarding whether prices were to be provided in lump sums or in hourly rates, this ambiguity would be patent as the RFP stated many times in the schedule of services, the bid schedule sheet, and in other places that prices were to be provided in hourly rates. *Id.* at 6.

Where a protester and the agency disagree about 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, and by assessing whether each posited interpretation is reasonable. *AIMS Locum Tenens, LLC*, B-419723, July 13, 2021, 2021 CPD ¶ 294 at 5. An ambiguity exists where two or more reasonable interpretations of the terms or specifications of the solicitation are possible. *Id.* To be reasonable, an interpretation must be consistent with the solicitation when read as a whole and in a reasonable manner. *Id.* A patent ambiguity exists where the solicitation contains an obvious, gross, or glaring error, while a latent ambiguity is more subtle. *Id.*

We find that the RFP is not ambiguous regarding the requirement to provide prices as hourly rates. The RFP stated twice that proposals were to include firm-fixed-prices. RFP at 1; PWS at 7. However, immediately following one of these instructions, the schedule of services plainly required that each CLIN include "Quoted Hourly Rate[s]," and explained in detail what those rates were to include. RFP at 2-6 ("Bid rate must include the minimum wage rate, health and welfare benefits, contractor's overhead costs and all associated fees and charges, costs associated with recruitment, hiring, and on-boarding, and contractor profit."). The PWS immediately followed the schedule of services and also stated that hourly rates were to be provided on the attached bid schedule sheet. PWS at 7-8. The bid schedule sheet stated several times that hourly rates were to be provided. AR, Tab 3, Bid Schedule Sheet.

While the evaluation criteria stated that the government "will evaluate offers for award purposes by adding the total price for all options to the total price for the basic requirement," (RFP at 29) we do not think this language is irreconcilable with the requirement to provide hourly rates. This language simply states that during evaluations the agency will add all prices provided to reach a total price, not that offerors would be evaluated based on whether they provided total annual prices or lump sums. As the RFP stated that the contractor's employees would work up to 40 hours a week, the agency could use these hours to calculate total prices based on offerors' hourly rates. See, e.g., *Sterling Med. Assocs., Inc.*, B-406729, B-406729.2, Aug. 8, 2012, 2012 CPD ¶ 337 at 2 ((RFP instructed offerors to provide monthly capitation rate (unit cost per veteran inclusive of all services) for each CLIN, and provided that the agency would determine the total annual CLIN price and that "total evaluated prices would be calculated by adding together the sums of the total annual CLIN prices for the base and option years.")) As a result, the RFP was clear that offerors were to propose fixed hourly rates for each labor category. Such an interpretation is consistent with the terms of the solicitation and therefore reasonable.

Even if we were to find that the RFP was ambiguous, it would be patently ambiguous. For an ambiguity to be latent, it must be reasonable, meaning that it is consistent with all the terms of the solicitation. *AIMS Locum Tenens, supra*. Here, Oready could not propose lump sums in the bid schedule sheet without ignoring the language in the schedule of services, the PWS, and the bid schedule sheet describing how the hourly rates were to be proposed. Because Oready's understanding of the solicitation cannot be reconciled with the plain terms of the solicitation, the ambiguity about which Oready now complains should have been apparent to Oready at the time it submitted its proposal. *Id.* Since Oready's interpretation of the RFP presents at most a patent ambiguity regarding the price requirement, Oready was required to challenge the terms of the RFP prior to the due date for proposal submissions. *Done By Native, LLC*, B-419844, Aug. 19, 2021, 2021 CPD ¶ 286 at 5. Where a patent ambiguity is not challenged prior to submission of solicitation responses, we will not consider subsequent untimely arguments asserting the protester's own interpretation of the ambiguous provisions. *AIMS Locum Tenens, supra*. Oready's protest was not filed until after it received notice of the rejection of its proposal and therefore any challenge to the terms of the RFP is untimely.

A proposal that fails to conform to the material terms and conditions of the solicitation is considered unacceptable and may not form the basis of the award. *BTAS, Inc.*, B-415810.4 *et al.*, Oct. 3, 2018, 2018 CPD ¶ 346 at 7. Material terms of a solicitation include those which affect the price, quantity, quality, or delivery of the goods or services being provided. *Cybergenic Sys., LLC*, B-421213, Jan. 19, 2023, 2023 CPD ¶ 31 at 5-6. We will not disturb the agency's determination of the acceptability of a proposal absent a showing that the determination was unreasonable, inconsistent with the terms of the solicitation, or in violation of procurement statutes or regulations. *Platinum Bus. Corp.*, B-415584, Jan. 18, 2018, 2018 CPD ¶ 34 at 3. The record shows that the RFP clearly required offerors to propose hourly rates, and Oready's bid schedule sheet includes lump sum or total annual prices. We conclude that the agency reasonably determined that Oready failed to conform to the terms of the RFP regarding price and that its proposal is ineligible for award.

Lastly, Oready asserts that the agency should have allowed it to clarify its pricing. Even assuming that the error with Oready's pricing was something that could have been resolved through clarifications--clarifications are limited to providing clarifying information or addressing minor clerical errors--the agency was not required to do so. See FAR 15.306 (establishing that "offerors may be given the opportunity to clarify certain aspects of proposals . . . or to resolve minor or clerical errors."); *Resource Mgmt. Sys., Inc.*, B-422779.2, Feb. 10, 2025, 2025 CPD ¶ 82 at 4-5 (denying protest that agency had a duty to request clarification from an offeror that utilized an incorrect pricing schedule). This allegation is denied.

The protest is denied.

Edda Emmanuelli Perez
General Counsel