



U.S. GOVERNMENT ACCOUNTABILITY OFFICE

441 G St. N.W.
Washington, DC 20548

Comptroller General
of the United States

Decision

Matter of: JDSAT, Inc.

File: B-423868

Date: January 12, 2026

Lewis P. Rhodes, Esq., Reston Law Group, LLP, for the protester.

Theresa S. Keenan, Esq., Department of the Navy, for the agency.

Kasia Dourney, Esq., and Alexander O. Levine, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest asserting that task order solicitation for professional services exceeds the scope of its underlying multiple award contract is denied where the record shows that the requirement was reasonably encompassed within the contract's scope of work.
2. Protest asserting that agency failed to undertake a "Rule of Two" analysis prior to issuing a solicitation on an unrestricted basis is dismissed for lack of jurisdiction where the anticipated value of the task order is below the threshold for GAO jurisdiction.

DECISION

JDSAT, Inc., a service-disabled veteran-owned small business of McLean, Virginia, protests the terms of request for quotations (RFQ) No. N0018925QZ455, issued by the Department of the Navy, Naval Supply Systems Command, for professional services. The protester contends that the agency failed to properly determine whether the work described in the solicitation is within the scope of the Bureau of Medicine and Surgery (BUMED) Operations, Plans & Readiness (OP&R) multiple-award contract (MAC). JDSAT also argues that the agency failed to correctly assess whether it was required to set the requirement aside for small businesses under the so-called "Rule of Two."

We deny the protest in part and dismiss it in part.

BACKGROUND

The agency issued the RFQ on August 8, 2025, to holders of the Navy's BUMED OP&R MAC.¹ Agency Report (AR), Exh. 1, RFQ at 1. The task order solicitation sought quotations for professional services supporting the Naval Medicine Force Development Center through strategic communications, hybrid analytic solutions, technology innovation, and optimizing access-to-care standards for operational forces. *Id.* at 6-7.

The RFQ was scheduled to close on August 29, 2025, at 4:00 p.m. Shortly before that deadline, JDSAT filed the instant protest.

DISCUSSION

JDSAT argues that the requirement at issue falls outside the scope of the BUMED contract. Protest at 3-4. The protester also contends that the RFQ is “an improper bundling of what should be a follow-on opportunity of an existing small business contract currently being performed by JDSAT.” *Id.* at 1. As such, according to the protester, the solicitation violates the so-called “Rule of Two.”² *Id.* at 4. We have reviewed the protester’s allegations and find no basis upon which to sustain the protest.³

¹ JDSAT is not a holder of the BUMED MAC although it has been a subcontractor under certain task orders. Contracting Officer’s Statement and Memorandum of Law (COS/MOL) at 1.

² The “Rule of Two” describes a long-standing policy set forth in the Federal Acquisition Regulation (FAR) to implement provisions in the Small Business Act, 15 U.S.C. § 644(a), wherein certain acquisitions above the simplified acquisition threshold must be set aside for exclusive small business participation if an agency’s market research shows there is a reasonable expectation that offers will be received from at least two responsible small business concerns and award will be made at a fair market price. FAR 19.502-2(b); *Knudsen Systems, Inc.*, B-422433.2, Aug 9, 2024, 2024 CPD ¶ 190 at 4.

³ Our Office is authorized to hear protests of task orders, or the proposed issuance of task orders, that are issued under indefinite-delivery, indefinite-quantity (IDIQ) contracts established within the Department of Defense, where the task order is valued in excess of \$35 million, or where the protester asserts that the task order increases the scope, period, or maximum value of the contract under which the task order is issued. 10 U.S.C. § 3406(f)(1)(B); 4 C.F.R. § 21.5(l). The value of the task order at issue is \$4,087,722.40. AR, Exh. 2, Decl. of Contracting Officer at 1. Because the value of the task order is below \$35 million, and because, as discussed below, we conclude that the task order does not exceed the scope of the IDIQ contract, we dismiss JDSAT’s arguments regarding the “Rule of Two” and improper bundling.

The protester argues that the current requirement falls outside the scope of the BUMED contract because BUMED is “limited to analytic and advisory services.” Protest at 4. According to JDSAT, “[t]he work under this [s]olicitation is more in line with direct healthcare delivery policy and system modernization.” *Id.* The protester alleges that specific solicitation tasks are outside of BUMED’s scope, including: “[a]ssessment of direct clinical operations and operations healthcare; management [information technology (IT)]/system modernization work,” and “[c]reating and institutionalizing Navy/[Defense Health Agency (DHA)] healthcare access standards.” *Id.* JDSAT also claims that BUMED does not specifically identify “[d]evelop[ing] and deploy[ing] [artificial intelligence (AI)]/ [machine learning (ML)] models to address identified gaps and opportunities for improvement,” a task contemplated by the instant RFQ. Opp. to Req. for Dismissal at 5.

In response, the Navy contends that this protest ground “consists of bare allegations that lack the requisite factual basis to establish a reasonable potential that the protester’s allegations may have merit.” COS/MOL at 2. The agency asserts that “even assuming the [p]rotester has managed to allege a legally sufficient basis for protest,” JDSAT’s argument “lacks merit.” *Id.* at 3. In this regard, the Navy maintains that the specific examples of the RFQ tasks, which the protester alleges are outside of scope of the BUMED contract, are “incorrect” as “there are no such tasks identified in the [s]olicitation.” Req. for Dismissal at 3. With respect to the AI/ML work, the Navy explains that at the time the BUMED contract was issued nearly five years ago, utilization of AI/ML was not sufficiently widespread to be included in the performance work statement (PWS). COS/MOL at 16.

As noted above, our Office is authorized to hear protests of task orders, or the proposed issuance of task orders, that are issued under multiple award contracts established within the Department of Defense, where the task order is valued in excess of \$35 million, or where the protester asserts that the task order increases the scope, period, or maximum value of the contract under which the task order is issued. 10 U.S.C. § 3406(f)(1)(B); 4 C.F.R. § 21.5(l). Where a protester alleges that the proposed issuance of a task order under an IDIQ contract is beyond the scope of the contract, we analyze the protest in essentially the same manner as those in which the protester argues that a contract modification is outside the scope of the underlying contract. *The MayaTech Corp.*, B-419313, Nov. 9, 2020, 2020 CPD ¶ 366 at 4. In determining whether a proposed task order is outside the scope of the underlying contract, our Office examines whether the proposed order is materially different from the original contract, as reasonably interpreted. *Id.* Evidence of a material difference is found by reviewing the circumstances attending the original procurement; any changes in the type of work, performance period, and costs between the contract as awarded and the order as issued; and whether the original solicitation effectively advised offerors of the potential for the type of orders issued. *C3.ai, Inc.*, B-418676, July 28, 2020 CPD ¶ 256 at 13. In other words, the inquiry is whether the task order is one which potential vendors should have reasonably anticipated. *Id.*

Here, the solicitation at issue sought professional services supporting the Naval Medicine Force Development Center through strategic communications; hybrid analytic solutions; technology innovation; and optimizing access-to-care standards for operational forces. RFQ at 6-7. The PWS in the RFQ comprised 17 broad task areas, to include: program management support services; future state focus areas; naval medical forces support; data management and visualization; decision support cell; predictive analytics and risk analysis; strategy and policy; integration; strategic communications; education and training; studies and analysis; logistical support; task management; business analysis and decision support; performance metrics; Garrison access to care analytics and support; and project management. *Id.* at 7-19. None of these task areas seem to encompass the work that JDSAT argues is out of scope: “[a]ssessment of direct clinical operations and operations healthcare; management IT/system modernization work,” and “[c]reating and institutionalizing Navy/DHA healthcare access standards.” Protest at 4. Since the tasks that the protester ascribes to the task order solicitation are not supported by the actual language of the task order solicitation, we find that this argument does not provide a basis for our Office to conclude that the scope of the task order falls outside the scope of the BUMED contract.

JDSAT’s initial protest document does not include any further details, beyond listing the above tasks, to support the allegation that the task order solicitation falls outside the scope of the BUMED PWS. Instead, JDSAT includes such details only in later-filed additional pleadings supporting its scope argument. See, generally, Opp. to Req. for Dismissal at 4-5; Comments at 1-4. For example, in its comments on the agency report, the protester contends that the “BUMED MAC [d]oes [n]ot [i]nclude [t]echnical [t]asks” that are sought under the current solicitation. Comments at 3. Further, the protester argues that the task order requires software programming, which is beyond the scope of the tasks and labor categories under the BUMED contract, which only provide for “using existing software tools to analyze data.” *Id.*

As an initial matter, the protester’s presentation of additional support for the first time in its later-filed pleadings amount to the piecemeal presentation of arguments. In this regard, we note that the protester had knowledge of the scope of the BUMED contract when it filed its initial protest, as demonstrated by the fact that the initial protest made factual allegations about the BUMED scope.⁴ Protest at 4. Our Bid Protest Regulations require a protester to raise its arguments, with specificity, within 10 calendar days of the date on which it knew or should have known its protest grounds. See 4 C.F.R. § 21.2(a)(1). Where, as here, a protester provides specific legal arguments that were missing from earlier general allegations of impropriety, and which could have been

⁴ We note further, as the agency points out, that the BUMED contract “is publicly available (see, solicitation N0018921RZ011 on <https://www.neco.navy.mil>).” Req. for Dismissal at 3. The protester did not challenge this fact or assert that it was somehow unaware of the scope of the BUMED contract when it filed its initial protest contending that the task order solicitation fell outside that scope.

raised earlier in the protest process, our Office will consider this to be the impermissible, piecemeal presentation of arguments. See *Sealift Inc.*, B-405705, Dec. 8, 2011, 2011 CPD ¶ 271 at 2-3 n.1. Accordingly, we find that these later-raised arguments amount to the impermissible, piecemeal presentation of arguments and dismiss them as untimely filed.

Even if these arguments were timely filed, they fail to establish that the RFQ's requirements fall outside the scope of the BUMED contract. Specifically, the record shows that the BUMED contract has a broad scope and was intended to "provide services to the OP&R Directorate in its mission to support the management of operations, plans, and readiness." AR, Exh. 3, BUMED Contract at 6. The BUMED contract further identified "14 programs" that were "within the BUMED's OP&R Directorate" which would be supported by the contractor, including high reliability organization; quality safety and leadership academy; navy knowledge skills and abilities; research and analytics; and administration and business operations support. *Id.* The specific task areas listed in the PWS included broad general task areas such as "clinical, business, and operational support," "business process improvement/realignment," or "program and project management." *Id.* at 7-9, 10-11.

Based on the record, and contrary to JDSAT's contention, a number of the tasks contemplated by the BUMED PWS can be characterized as technical tasks, including those that involve the optimal utilization of IT tools and software development. For example, under the business process improvement/realignment task area, the PWS provides that:

The contractor shall provide assistance and support services to ensure that people, processes, information technology, and policies are optimally supporting the OP&R mission.

The contractor shall provide services to automate targeted data decision support processes to meet the OP&R mission, to include updating, consolidating, and generating new policy, and leveraging information technology to streamline workflows through standardized data and network processes, templates, and tools to allow OP&R to perform programmatic activities more efficiently and effectively, as well as develop a robust training capability to significantly improve knowledge sharing and provide stakeholders the information necessary to perform their duties effectively and efficiently.

Id. at 9. There are multiple similar technical tasks identified in the BUMED contract. See COS/MOL at 6-18.

Also, while the protester is correct that the BUMED contract does not specifically identify "[d]evelop[ing] and deploy[ing] AI/ML models to address identified gaps and opportunities for improvement"--a task contemplated by the instant RFQ (RFQ at 18)--this task reasonably falls within the broad scope of the BUMED PWS, which includes

numerous tasks calling for the optimization of IT tools. Opp. to Req. for Dismissal at 5. For example, “services to automate targeted data decision support processes to meet the OP&R mission,” as described in the BUMED contract, would, in our view, encompass the new AI/ML technology updates contemplated by the current RFQ. AR, Exh. 3, BUMED Contract at 9. We also think that the holders of the BUMED contract could have reasonably anticipated that a task order issued under the contract in 2025 would include some new technology work, including tasks employing AI/ML technology. See *C3.ai, Inc.*, B-418676, July 28, 2020, 2020 CPD ¶ 256 at 13-15 (broadly-worded IDIQ contract reasonably encompassed future endeavors and technologies that were unknown at the time of award).

The agency also adds, and we agree, that at the time the BUMED contract was issued, nearly five years ago, utilization of AI/ML was not sufficiently widespread to be included in the PWS. COS/MOL at 16. While the protester disputes the agency’s position and argues that “AI/ML data analytics tools have been around for more than five years though Tableau, Open AI, Apple, Google and other software systems” and that “[i]f the Navy wanted to include AI development in the MAC, the capabilities were there,” Comments at 4, we are not persuaded that the failure of the BUMED PWS to specifically detail these tools means they are not encompassed within the broad scope of the BUMED contract.

The protest is denied in part and dismissed in part.

Edda Emmanuelli Perez
General Counsel