



Decision

Matter of: Magellan Solutions USA, Inc.

File: B-423857

Date: January 12, 2026

Chris Rand for the protester.

Natica Chapman Neely, Esq., Department of Veterans Affairs, for the agency.

Mary G. Curcio, Esq., and John Sorrenti, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Agency properly procured switchboard services from AbilityOne contractor, rather than from service-disabled veteran-owned small business, where The Department of Veterans Affairs Contracting Preference Consistency Act requires the agency to procure services from the AbilityOne procurement list of supplies and services provided by qualified non-profit agencies for the blind or disabled.

DECISION

Magellan Solutions USA, Inc., a service-disabled veteran-owned small business (SDVOSB) of Melbourne, Florida, protests the Department of Veterans Affairs (VA) stated intention to award a sole-source contract to the Central Association for the Blind for switchboard services for the Lexington Virginia Medical Center (VAMC), as explained in Special Notice No. 36C24925Q0433. Magellan asserts that the agency improperly intends to award the contract to the Central Association for the Blind on a sole-source basis, without considering a set-aside award to an SDVOSB.

On April 18, 2025, the VA published the special notice on the SAM.gov¹ website stating its intention to award a contract for switchboard services on a sole-source basis to the

¹ The SAM.gov website is the current governmentwide point of entry, which serves as “the single point where Government business opportunities greater than \$25,000, including synopses of proposed contract actions, solicitations, and associated information can be accessed electronically by the public.” Federal Acquisition Regulation (FAR) 2.101.

Central Association for the Blind, an AbilityOne qualified non-profit agency for the blind. Req. for Dismissal, exh. 1, Contracting Officer's Statement (COS); exh. 2, Special Notice at 3. The agency is procuring the services in accordance with the AbilityOne program which implements the Javits-Wagner-O'Day (JWOD) Act, 41 U.S.C. §§ 8501-8506.

After the agency posted the notice, Magellan submitted this protest. Magellan asserts that in awarding the contract under the AbilityOne program the agency is violating its statutory obligation to give priority to SDVOSBs under 38 U.S.C. § 8127(d), which requires the agency to set aside a procurement for SDVOSBs when there are two or more qualified firms that can perform the work at fair and reasonable prices. Protest at 1.

The AbilityOne program is administered by the Committee for Purchase from People Who Are Blind or Severely Disabled (Committee) and implements the JWOD Act by providing employment opportunities through the award of federal contracts for people who are blind or severely disabled. The JWOD Act grants the Committee the exclusive authority to establish and maintain a procurement list of supplies and services provided by qualified non-profit agencies for the blind or disabled under the AbilityOne program. 41 U.S.C. §§ 8502(a), 8503(a); FAR subpart 8.7. Federal agencies are required to obtain all supplies and services that are on the procurement list from a central non-profit agency or its designated AbilityOne participating non-profit agencies. FAR 8.705-1(a). The switchboard services being procured here have been on the procurement list maintained by the Committee since 1998. Req. for Dismissal, exh. 3, Additions to the Procurement List, 63 Fed. Reg. 1420, 1422 (Jan. 9, 1998). The Central Association for the Blind is a designated AbilityOne non-profit organization.

The Veterans First Contracting Program, established by the Veterans Benefits, Health Care, and Information Technology Act of 2006, codified at 38 U.S.C. § 8127, provides the VA with independent authority to set aside procurements for SDVOSB and veteran-owned small business (VOSB) concerns. 38 U.S.C. § 8127; *Buy Rite Transport*, B-403729, B-403768, Oct. 15, 2010, 2010 CPD ¶ 245 at 2-3. Under the Veterans First Contracting Program, the VA is required to set aside all acquisitions for SDVOSB or VOSB concerns where the agency's market research leads it to conclude that there is a reasonable expectation that two or more such concerns are likely to submit offers, and that award can be made at a fair and reasonable price (commonly known as the "rule of two"). 38 U.S.C. § 8127(d)(1).

The Department of Veterans Affairs Contracting Preference Consistency Act (Consistency Act), signed into law on August 8, 2020, addresses the interplay between the JWOD Act and the Veterans First Contracting Program by introducing an exception to the application of the rule of two. Department of Veterans Affairs Contracting Preference Consistency Act of 2020, Pub. L. No. 116-155, § 2, 134 Stat. 698, 698-699 (2020). The Consistency Act amended 38 U.S.C. § 8127 and requires VA contracting officers to procure items meeting the definition of "a covered product or service" from a qualified non-profit agency, notwithstanding the statute's general preferences for setting

aside procurements for SDVOSB or VOSB concerns. *Id.*; 38 U.S.C. § 8127(d)(2)(A). A “covered product or service” is defined as a product or service that is currently listed on the procurement list and that was added to the procurement list on or before December 22, 2006.² 38 U.S.C. § 8127(d)(2)(C).

Here, the switchboard services for the Lexington VAMC have been on the procurement list maintained by the committee since February 9, 1998. An AbilityOne qualified agency for the blind has been performing the services for the VA since that time. Req. for Dismissal at 6; COS. Accordingly, consistent with JWOD and the Consistency Act, the agency was required to procure the services from an AbilityOne qualified agency for the blind, which it intends to do here with an award to the Central Association for the Blind. The agency therefore properly did not consider an award to an SDVOSB.

The protest is denied.

Edda Emmanuelli Perez
General Counsel

² We note the Consistency Act exempts the VA from the requirement to purchase supplies and services from the AbilityOne program where a contract for a covered product or service, *i.e.*, items on the procurement list, was awarded pursuant to a VA rule of two determination after December 22, 2006, and in effect on August 7, 2020. 38 U.S.C. § 8127(d)(2)(B). This exemption does not apply here where the switchboard services being procured have been on the procurement list since 1998 and the agency has never awarded a contract pursuant to the rule of two for these services but has contracted for them using the AbilityOne program continuously since 1998.