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Decision

Matter of: ODP Business Solutions

File: B-424044

Date: February 9, 2026

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DIGEST

Protest alleging that a solicitation that restricts the manner in which offerors may offer discounts is contrary to regulation and unduly restrictive of competition is denied where the solicitation's terms are not contrary to regulation and the protester did not demonstrate in what way the solicitation will actually restrict competition.

DECISION

ODP Business Solutions, LLC, of Boca Raton, Florida, protests the terms of request for quotations (RFQ) No. 47QSCC-25-Q-5009, issued by the General Services Administration (GSA) seeking a vendor to support GSA retail operations at several locations in support of the United States Navy. The protester alleges that the solicitation's restriction on voluntary discounts on individual items is contrary to regulation and unduly restrictive of competition.

We deny the protest.

BACKGROUND

GSA's Retail Operations group provides what GSA has termed Fourth-Party Logistics¹ (4PL) solutions for Department of Defense and civilian agencies. COS at 1. According

¹ 4PL is an operational model in which an organization outsources its entire supply chain management and logistics to one external service provider. Contracting Officer's Statement (COS) at 1. This is distinguished from third-party logistics, where an external

(continued...)

to GSA, the 4PL program allows users to focus on core competencies by leveraging GSA's contracting and acquisition experience and the product-fulfillment expertise of industry leaders. *Id.* at 2. Under 4PL, GSA acts as an integrator to manage multiple suppliers specializing in a wide variety of hardware and office products. *Id.*

GSA issued the RFQ on September 4, 2025,² seeking quotations from all contractors holding any Multiple Award Schedule (MAS) contract with the 4PL Supplies and Services special item number. COS at 13. The RFQ anticipates the establishment of a single blanket purchase agreement (BPA) to support GSA retail operations, with the successful contractor providing retail services and supply items from its entire MAS contract catalog to the United States Navy at various locations. Agency Report (AR), Tab 12, RFQ at 76. Under the resulting BPA, the vendor will provide a comprehensive supply solution so that these locations will be able to provide products and related in-store services for, among other things, full-retail storefronts, in-store referral ordering, and direct delivery services. See *Id.* at 62.

As to the product offerings that the vendor may be required to supply and fulfill, vendors will be expected to provide a broad product offering (analogous to a catalog) of thousands of commercial products and associated support services, all of which are available on the Federal Supply Schedule (FSS). COS at 15-16. For example, the RFQ contemplates that vendors will provide a wide variety of hardware, industrial, and office supply products, including: safety glasses, air filters, network cables, welding supplies, batteries, light bulbs, sponges, pens, padlocks, first aid kits, copy paper, gloves, screws, adhesives, tape, drill bits, clamps, headlamps, scissors, knives, toilet paper, and wire brushes. See AR, Tab 10, RFQ attach. B, Market Basket. Of note, the agency's market research and prior experience with 4PL procurements suggested that the size of the catalogs offered by vendors vary but often include hundreds of thousands of items. *Id.*

The RFQ contemplates establishing a BPA with a 1-year base period, and four 1-year option periods. RFQ at 86. Selection of the BPA holder will be based on a best-value tradeoff between the following four technical factors, which are listed in descending order of importance, and price: (1) technical approach; (2) corporate experience and references; (3) small business participation plan; (4) breadth of product. RFQ at 156-157. The technical factors, when combined, are significantly more important than price. *Id.* Only the evaluation of the breadth of product and price factors are relevant to the issues presented in the protest.

provider oversees only part of supply chain operations for a business. *Id.* In this context, GSA is serving as the "fourth party," serving as a supply chain integrator for various retail operations for the Navy. *Id.*

² A previous solicitation for this requirement, RFQ 47QSCC-24-Q-5003, was issued on April 7, 2025, but was subsequently cancelled following a series of agency-level protests. COS at 13.

Because the solicitation involves the evaluation of product catalogs that vary in size and some of which have close to a million products, the solicitation identified a specific “market basket” approach to evaluating both the breadth of product and price factors to permit a “like to like” comparison of quotations. RFQ at 159-163. Specifically, the agency identified a representative sample of 300 items for which the agency provided salient characteristics in the solicitation. *Id.* The RFQ requires each vendor to identify items from its MAS catalog that match those salient characteristics, provide the current MAS catalog price for that item, and include its current MAS catalog as an attachment to its quotation. *Id.*

Relevant to this protest, the solicitation provides that if a vendor enters a price for a market basket catalog item that does not match that item’s current MAS catalog price, the agency will treat that entry as if it had been left blank and not consider the item for that vendor’s market basket, and if there are multiple such items, the agency may find the quotation to be unacceptable. RFQ at 160. That is, the solicitation provides, in effect, that vendor-proposed discounts that solely apply to individual market basket items will not be considered as part of the price evaluation and may lead to rejection of a quotation. *Id.* By contrast, the solicitation provides that the agency will not reject discounts on broader categories of items--such as industrial items or office supply items--and that such category discounts will be considered in the price evaluation. RFQ at 6-7.

The solicitation initially provided that quotations were due October 6, 2025, but on October 3, the agency amended the solicitation to require submission of quotations by October 15. AR, Tab 14, RFQ Amend. 2 at 1-2. Relevant to this protest, our Office was closed from October 1 through November 12 due to a lapse in GAO’s appropriations. A notice to this effect was posted to the Electronic Protest Docketing System (EPDS) website on October 1. On that same day, EPDS sent an email to all active EPDS accounts, notifying users of the shutdown and provided the following guidance with respect to the filing of new protests:

2. Beginning at noon on October 1, 2025, the Electronic Protest Docketing System (EPDS) will not be operational, and will be inaccessible during the time our Office is closed. Accordingly, no protest-related documents may be filed or accessed through EPDS during the period of time that GAO is closed.

* * * *

4. Deadlines for the filing of new protests that fall on a day that GAO is closed are extended to the first day that GAO resumes operations. This extension operates in the same manner as when a deadline falls on a weekend or federal holiday.

October 1 EPDS Notice.

Although our Office was closed, the GSA offices involved in conducting this procurement did not shut down due to a lapse of appropriations and continued working on this procurement.³ On November 13, our Office resumed normal operations, and this protest followed the same day.

DISCUSSION

The protester advances two related challenges to the solicitation's prohibition against quoting discounts for individual items. First, the protester contends that the underlying MAS contracts include a contract clause that permits vendors to unilaterally propose discounts, and the solicitation is expressly inconsistent with that requirement. Protest at 8-10. Specifically, the protester argues that the contract clause in question reads, in relevant part, that the “[c]ontractor may offer the [c]ontracting [o]fficer a voluntary price reduction at any time during the contract period.” *Id.* (citing GSA Regulation (GSAR) clause 552.238-81, Alternate I, Price Reductions). In this regard, the protester contends that various decisions of our Office support a vendor's right to offer discounts at any time and in any manner. *Id.* (citing *Dictaphone Corp.*, B-193716, Mar. 23, 1979; *Microcom Corp.*, B-186057, Nov. 8, 1976). Second, in the alternative, the protester argues that the solicitation's requirements are unduly restrictive of competition because it limits the ability of vendors to provide competitive quotations and is not related to a legitimate agency need. Protest at 10-11. We address these arguments in turn below.

Timeliness

As a preliminary matter, the agency contends that the protest is untimely filed because protests of the terms of a solicitation must be filed prior to the time for receipt of quotations, and the protest was filed on November 13, nearly a month after the October 15 date set for receipt of quotations. Req. for Dismissal at 3-4. In response the protester explains that at the time set for receipt of quotations our Office was closed and EPDS was unavailable for the receipt of new protests. Response to Req. to Dismiss at 4-7. Moreover, the protester notes that our Office issued specific instructions to protesters at the outset of the shutdown, providing in relevant part that:

Deadlines for the filing of new protests that fall on a day that GAO is closed are extended to the first day that GAO resumes operations. This extension operates in the same manner as when a deadline falls on a weekend or federal holiday.

Id. at 5 (citing GAO Shutdown Guidance).

³ This decision is confined to matters affecting alleged violations of procurement law or regulation and does not reach or express any opinion with respect to the availability of appropriations to the agency to continue its work on this procurement during the shutdown period.

Accordingly, the protester argues that its protest is timely because it filed the protest on the first day that our Office resumed operations on November 13. *Id.*

In response, the agency notes that our decisions have consistently concluded that deadlines for protesting a solicitation are generally not tolled by weekends or office closures, but rather a protest of alleged improprieties in a solicitation must be filed prior to the time our Office would close. Req. for Dismissal at 4 (*citing Guam Shipyard*, B-294287, Sept. 16, 2004, at 2 (finding no extension of the filing date where the due date for quotations falls on a non-business day, and dismissing protest filed after closing date for quotations) and *FitNet Purchasing Alliance*, B-400553, Sept. 24, 2008, at 1-2 (dismissing a protest of a solicitation filed while GAO was closed, because deadlines for challenges of solicitation improprieties are not tolled for GAO closures)). The agency additionally explains that our Shutdown Notice specifically qualifies the tolling of deadlines by explaining that the extension “operates in the same manner as when a deadline falls on a weekend or federal holiday[,]” both of which are cases in which our decisions have concluded that deadlines for filing protests of the terms of a solicitation are *not* tolled. *Id.* Accordingly, the agency argues that ODP’s protest is untimely.

In this regard, our Regulations provide, when computing any “period of time,” if our Office is closed for all or part of the last day, the period of time extends to the next day on which our Office is open. 4 C.F.R. § 21.0(d). However, the agency is correct that our decisions have consistently stated that a time set for receipt of proposals or quotations is not a “period of time” in the sense contemplated by 4 C.F.R. § 21.0(d), and therefore the time for filing a protest of the terms of a solicitation is not extended when our Office is closed. See, e.g., *FitNet Purchasing Alliance*, *supra* at 2; *Guam Shipyard*, *supra* at 3-4. As a result, our decisions have concluded that, when our Office will be closed at the time set for receipt of proposals or quotations, protests must be filed by 5:30 p.m. on the last day on which our Office is open prior to the time for receipt of proposals or quotations. *Id.*

Here, the deadline for receipt of quotations, at the time of our Office’s closure due to a lapse of appropriations, was October 3, several days later than the date of our Office’s closure. Moreover, the deadline was subsequently amended to October 15 while our Office continued to be closed. In this regard, we note that the decisions on which the agency relies deal with closures of our Office for weekends or federal holidays--that is those decisions address the impact of closures that were predictable by a protester in advance. See, e.g., *FitNet Purchasing Alliance*, *supra* at 2; *Guam Shipyard*, *supra* at 3-4. In this case, it was neither clear in advance whether there would be a lapse in appropriations nor how long such a lapse would last. Historical lapses in appropriations have ranged from a few hours in length to, as in the instant case, 43 days. It would be unfair to expect a protester to anticipate whether it must protest a solicitation due several days or even weeks in the future when there is no certainty whether our Office would be closed and, if so, for how long.

It is for this reason that our Office clarified the matter by issuing explicit instructions that “[d]eadlines for the filing of new protests that fall on a day that GAO is closed are

extended to the first day that GAO resumes operations.” In light of the unpredictable nature of the closure and the explicit instructions issued by our Office, we cannot conclude that this protest is untimely. See GAO Shutdown Guidance; *see also Bland and Assocs., PC*, B-419924, Sept. 28, 2021 (granting an exception for good cause shown where a protest of the terms of a solicitation was filed after the time for receipt of proposals, because it was filed on the first day our Office reopened after an unexpected closure).

Voluntary Price Reductions

Turning to the merits of the protest, the agency responds that the protester’s argument concerning the voluntary price reduction clause is without merit because the solicitation is entirely consistent with the terms of GSAR clause 552.238-81, Alternate I, Price Reductions. Memorandum of Law (MOL) at 9-13. First, the agency argues that the plain language of the discount clause permits vendors to offer a voluntary price reduction but does not obligate the agency to accept any such price reduction. *Id.* In that regard, the agency suggests that the solicitation should be understood as reflecting advance notice that the agency will not accept certain types of price reductions. *Id.* Second, in the alternative, the agency contends that the solicitation does not disallow vendors from offering voluntary price reductions. *Id.* Rather, the solicitation permits vendors to offer discounts on categories of items but disallows attempts to discount single items included in the market basket, which represent only a small subset of 300 items out of potentially hundreds of thousands of potential products that might ultimately be offered for sale, to “game” the price evaluation of the market basket. *Id.*

In this regard, the agency outlines a long history of gamesmanship related to the market basket in prior 4PL procurements. COS at 9-12. For example, the agency notes that vendors have proposed products for the market basket at deep discounts, and then subsequently removed those items from their catalogs, eliminating the possibility that they would be required to sell the items at those prices. *Id.* In some cases, those vendors even subsequently readded the same items to their catalogs at a later time and at a higher price. *Id.* In this regard, a February 2024 agency review of 4PL prices during performance found one awardee had increased prices by an average of 93 percent over its proposed prices across the majority of its market basket items in just three years. *Id.*

As an alternative example, a vendor proposed the majority of market basket items at a price of \$0.01, when many of those items typically retail at more than \$100. *Id.* However, because the vendors also operate the retail store locations themselves and their catalogs include many items of a similar nature, nothing prevented the vendors from declining to stock, display, or advertise the steeply discounted items. *Id.* As a

result, potential agency purchasers might be unaware of the discounted items or be unable to easily purchase them.⁴ *Id.*

In light of this history, the agency sought feedback from industry on potential modifications to its market basket evaluation methodology to address these historical problems. COS at 12-13. For example, the agency received responses from prospective vendors and conducted one-on-one discussion sessions, including with the protester. *Id.* Of note, the agency points out that the protester expressed a preference for the category-based discounts included in this solicitation over traditional flat-rate discounts, in part because, as the protester's representative explained "everyone tries to game the Market Basket." *Id.* (citing AR, Tab 7, at 9). For these reasons, the agency contends that it cannot permit vendors to propose discounts on specific market basket items without compromising its ability to fairly evaluate price quotations.⁵ COS at 8-12.

We find the agency's arguments persuasive. Specifically, even setting aside the agency's concerns regarding the history of gamesmanship in 4PL procurements, the agency is correct that the plain text of the contract clause in question is not facially inconsistent with the terms of the solicitation. Here, GSAR clause 552.238-81 provides in relevant part that a "[c]ontractor may offer the [c]ontracting [o]fficer a voluntary price reduction at any time during the contract period." This language clearly permits contractors to offer discounts, but it does not require an agency to accept them.

Indeed, the decisions on which the protester relies stand solely for the proposition that it is permissible for a contracting officer to accept such voluntarily offered discounts. For example, the protester cites our decision in *Dictaphone Corp.*, which, in construing a predecessor FSS contract clause, noted that "[u]nder the price reduction clause quoted above, a contractor may offer a price reduction at any time and by any method without prior or subsequent GSA approval or acceptance." *Dictaphone Corp., supra* at 3. However, the protester omits the conclusion following that statement, which was that a non-GSA agency was accordingly permitted to accept the benefit of the lower price offered by a schedule contractor without first seeking approval by GSA. *Id.* That is, the decision stands, at best, for the proposition that an agency may properly choose to accept a price reduction offered by an FSS contractor at any time without first consulting GSA, not that an agency must do so.

⁴ The agency notes that it has taken various countermeasures to combat these specific types of gamesmanship but argues that these are merely historical examples and there remains risk that vendors would be able to continue to undermine the validity of the market basket price evaluation if vendors were permitted to propose discounts on individual market basket items. COS at 10.

⁵ The agency acknowledges that a price realism assessment would be one potential alternative to resolve these issues, but because 4PL catalogs include hundreds of thousands of disparate items a traditional price realism analysis would be administratively impracticable. COS at 11.

Similarly, the protester argues that our decision in *Perot Systems Government Services, Inc.*, B-402138, Jan. 21, 2010, concludes that vendors are permitted by the Federal Acquisition Regulation (FAR) to offer discounts to their schedule prices. However, the FAR provision discussed in that decision, FAR 8.404(d), states, in relevant part, only that “ordering activities may seek additional discounts before placing an order. . . .” FAR 8.404(d); see also *Perot Systems Gov’t Servs., Inc.*, *supra*, at 3. That is, the FAR permits an agency to request and accept discounts, but neither the FAR nor our decision in *Perot Systems* suggest that an agency is required to accept such discounts. In short, the protester has not identified any regulation or decision of our Office that suggests that a contracting officer is *obligated* to accept voluntary price reductions from a schedule contractor.

Because we conclude, on these facts, that the agency is entitled to reject voluntary price reductions, we see no reason to conclude that the agency may not announce, in advance, that it will not accept certain types of price reductions. Indeed, the solicitation provisions at issue here do exactly that; the agency has announced, in advance, that it will not accept certain types of discounts because they will undermine the agency’s evaluation, which provides fair notice to all potential vendors of the agency’s views and proposed evaluation methodology.

By way of analogy, we note that agencies frequently issue solicitations that provide that the agency will not accept certain types of discounts. As an example, it is not unusual for a solicitation to explain that the evaluators will use a standard deviation methodology to assess discounts on fully burdened labor rates for price realism, and that labor rates falling some number of standard deviations below the average may be rejected. See, e.g., *ITSC Secure Solutions, LLC*, B-422731; B-422731.3, Oct. 4, 2024, at 5-7 (discussing a solicitation where the agency indicated that labor rates more than 2 standard deviations below a composite rate may be found unrealistic). Such a solicitation provision is, in effect, an agency announcing in advance that it will not accept certain types of voluntary price reductions.

In our view, the solicitation language here is directly analogous. The agency has announced that it will not accept discounts on individual market basket items because such discounts have the effect of distorting the agency’s market basket price evaluation, and, if past is prologue, may not actually result in any savings to the government. Instead, the agency is willing to accept and consider broader category-based discounts that will not undermine the agency’s price evaluation and are more likely to reflect actual potential savings to the government. This is unobjectionable, and fully consistent with the plain language of the voluntary price reduction contract clause, which permits vendors to offer, but does not oblige agencies to accept, voluntary price reductions. See GSAR clause 552.238-81.

Unduly Restrictive of Competition

In the alternative, the protester argues that the agency’s refusal to permit vendors to offer voluntary price reductions on specific market basket items is unduly restrictive of

competition because the agency cannot demonstrate that the requirement is reasonably necessary to meet the agency's needs. Protest at 10. In response, the agency contends, first, that the protester has not established that the requirement is actually restrictive of competition as it is neither impossible to meet nor prevents any offeror from attempting to compete on an even playing field. MOL at 13-20. In the alternative, the agency contends that, given the long history of gamesmanship in 4PL pricing discussed above, the requirement is clearly related to the agency's need for a fair and administratively manageable method of evaluating 4PL catalog pricing. *Id.* That is, because 4PL vendor catalogs vary widely in both their size and contents, evaluating those catalogs on an even footing is challenging. *Id.* The agency argues that its market basket approach to evaluation and restrictions on single item discounts are both reasonably related to its evaluation needs. *Id.*

The determination of the government's needs and the best method of accommodating them is primarily the responsibility of the procuring agency. *Columbia Imaging, Inc.*, B-286772.2, B-287363, Apr. 13, 2001, at 2. Our Office will not sustain a protest challenging an agency's determination of its needs unless the protester presents clear and convincing evidence that the specifications are in fact impossible to meet or unduly restrict competition. *Instrument Control Serv., Inc.; Science & Mgmt. Resources, Inc.*, B-289660, B-289660.2, Apr. 15, 2002, at 6. To the extent a protester challenges a specification as unduly restrictive, that is, challenges both the restrictive nature of the requirement as well as the agency's need for the restriction, the procuring agency has the responsibility of establishing that the specification is reasonably necessary to meet its needs. *Smith and Nephew, Inc.*, B-410453, Jan. 2, 2015, at 5. The adequacy of the agency's justification is ascertained through examining whether the agency's explanation is reasonable, that is, whether it can withstand logical scrutiny. *Id.*

In this case, we do not believe that the protester has met its initial burden of demonstrating, by clear and convincing evidence, that the restrictions in question are either impossible to meet or unduly restrict competition. The requirement is clearly not impossible to meet--any eligible MAS contract holder can readily comply by simply quoting items from their established MAS catalog at catalog prices (or by offering category-level discounts). Indeed, we note that the protester has submitted a quotation in response to the solicitation. MOL at 15.

Further, it is not obvious in what way requiring all vendors to propose products on their MAS contracts at the prices they previously negotiated for those MAS contracts (or by offering category-level discounts) is restrictive of competition in any way. The protester's arguments in this regard are brief, merely alleging without elaboration that it would have proposed lower prices on market basket items if it could have done so, but the protester has not explained in what way this restricts competition or competitively prejudices the protester, in particular.⁶ Protest at 10. All MAS contractors, including the

⁶ The protester also advances a derivative argument that the requirements are unduly restrictive of competition because they are inconsistent with GSAR clause 552.238-81. (continued...)

protester, have previously negotiated to sell the products in question at the prices in their catalogs, and indeed, they are required by contract to do so. Furthermore, the protester is specifically authorized by the solicitation to offer category-level pricing discounts if it seeks to improve its competitive standing. In short, the protester has not established by clear and convincing evidence in what way the solicitation's terms actually restrict competition, as no otherwise eligible vendor will be excluded from the competition or uniquely competitively disadvantaged by these requirements. *Cf. Blue Origin Florida, LLC*, B-417839, Nov. 18, 2019, at 16 (denying protest challenging solicitation's price evaluation methodology where the protester argued that the lack of unit-level estimates prohibited its ability to structure its proposal in the manner the protester believed would be the most competitively advantageous where the agency withheld the information to avoid "gamesmanship" in unit-level pricing).

The protest is denied.

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General Counsel

Protest at 10; Comments at 4-5. Because we reject that argument above, we do not address it again here.