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# Decision

**Matter of:** XLCare Pharmaceuticals, Inc.

**File:** B-424026; B-424026.2

**Date:** February 17, 2026

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## DIGEST

1. Protest challenging agency's conduct of a reverse auction is denied where the record shows that the agency conducted the competition in accordance with the terms established for the reverse auction.

2. Protest challenging reverse auction's minimum bid decrement requirement is dismissed as an untimely challenge to the terms established for the reverse auction.

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## DECISION

XLCare Pharmaceuticals, Inc., of Lawrenceville, Georgia, protests the award of a contract to AvKARE, LLC, of Pulaski, Tennessee, following a reverse auction conducted under request for proposals (RFP) No. SPE2D2-24-R-0009, issued by the Defense Logistics Agency (DLA), for potassium chloride tablets. XLCare contends that the reverse auction system malfunctioned and failed to accept the firm's revised bid before the auction ended. XLCare also argues that DLA unreasonably deviated from the solicitation and the stated reverse auction procedures.

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

## BACKGROUND

On September 10, 2024, DLA issued the RFP, seeking to award a fixed-price requirements contract for bottles of potassium chloride tablets to support the

Department of Defense's pharmaceutical prime vendor program. Agency Report (AR), Tab 1, RFP at 31-33, 89.<sup>1</sup> The RFP contemplated a base period of one year and four 1-year options. *Id.* at 33. The agency intended to award the contract to the responsible offeror who offered a technically acceptable proposal with the "lowest evaluated aggregate price." *Id.* at 53.

As relevant to this protest, the RFP also indicated that the agency may use the "reverse auction process . . . to determine the lowest price evaluated" offeror. *Id.* at 56. In this regard, on October 15, DLA issued a solicitation amendment notifying offerors of the agency's intent to use a commercial provider's reverse auction procedures to conduct price discussions.<sup>2</sup> AR, Tab 2, RFP amend. 0004 at 2. Amendment 0004 explained that "[t]o be eligible for award and participate [in the reverse auction], the offeror must agree with terms and conditions of the entire solicitation and the commercial reverse auction service." *Id.* The amendment also notified offerors of training that was necessary to participate in the reverse auction, explaining that "[o]nly trained offerors may engage in a reverse auction." *Id.*

Prior to the solicitation closing date of November 7, the agency received 6 timely proposals, including proposals from XLCare and AvKARE. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 2. After setting a competitive range and conducting successive rounds of non-price discussions, the agency evaluated both XLCare and AvKARE as technically acceptable. AR, Tab 37, Price Negotiation Memorandum at 13.

During price discussions on July 1, 2025, DLA notified offerors that the agency intended to engage in a reverse auction conducted by DLA's commercial reverse auction service provider, Procurex, Inc. COS/MOL at 3. That same day, the agency invited XLCare to participate in a "mock" reverse auction as "training" on the Procurex software that offerors would use in the actual reverse auction. *Id.*; AR, Tab 4, DLA Mock Auction Invitation at 1. The mock reverse auction allowed offerors the opportunity to navigate the Procurex reverse auction system, practice submitting and revising bids, and raise potential issues or questions to the agency before the actual reverse auction. COS/MOL at 3.

When accessing the Procurex reverse auction system, offerors were also provided access to training videos that provided information and instruction on how the reverse auction would be conducted. *Id.* at 4. As relevant here, the training videos explained

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<sup>1</sup> Citations to agency report documents are to the internal page numbers marked in the documents; for documents without consecutive page numbers, we cite to the Adobe PDF page numbers.

<sup>2</sup> Amendment 0004 incorporated DLA Directive (DLAD) Procurement Note L09, which defines DLA's and the offerors' respective obligations and is required to be incorporated in the solicitation when DLA elects to engage in a reverse auction. AR, Tab 2, RFP amend. 0004 at 2; DLAD 15.407-90(c).

that a “minimum bid decrement” parameter would apply during the reverse auction. *Id.* at 3-4, 17. In this regard, one training video explained that “the minimum decrement is the amount that you must lower your own bid by each time you [] place a bid.” *Id.* (citing AR, Tab 7, Training Video 6); AR, Tab 30, Email from Procurex to DLA Explaining Minimum Bid Decrement. The agency set \$150,000 as the minimum bid decrement parameter for the reverse auction, which was prominently displayed to all offerors when they accessed the Procurex reverse auction system webpage.<sup>3</sup> COS/MOL at 4, 17; AR, Tab 45, Procurex Invitation Page at 1.

As relevant to the protest, the agency’s mock reverse auction invitation also attached the “Reverse Auctions Terms and Conditions,” stating that the auction intended to use “bid extensions.” AR, Tab 5, Reverse Auction Terms & Conditions at 1-2. In this regard, the terms and conditions explained that the agency would automatically add additional time to the auction when a “new low bid” is received within the term “Quiet Period,” which while undefined by the solicitation, given the context of the term when reading the terms and conditions as a whole, we conclude to mean a time period comprising a certain, fixed number of minutes before the scheduled end time of the auction. For the mock reverse auction training, the agency indicated that the “Quiet Period” would be the final 2 minutes of the reverse auction. AR, Tab 4, DLA Mock Auction Invitation (“Any bid submitted in the last 2 minutes of the scheduled end time will cause the end time to extend 2 more minutes.”).

Between July 7 and July 14, XLCare participated in the mock auction training on four separate occasions. AR, Tab 11, Procurex Mock Auction System Log. During this time, XLCare requested that DLA increase the length of the quiet period. AR, Tab 10, XLCare Email Request to Increase Quiet Period at 1. Specifically, XLCare stated that it had “practiced this several times and two minutes is [almost] impossible if you make one mistake and have to redo[], it is just not enough time. This is [our] first time at an [a]uction. Can you give at least three minute[s]?” *Id.*; COS/MOL at 4.

On July 23, DLA invited XLCare to participate in the actual reverse auction, scheduled to take place between 10:00 a.m.<sup>4</sup> and 10:30 a.m. on July 29. AR, Tab 13, Reverse Auction Invitation at 1. The invitation included instructions and required participants to review and agree to the reverse auction terms and conditions--which DLA had provided to offerors on July 1 along with the mock auction training invitation. *Id.*; COS/MOL at 3. The reverse auction invitation also indicated that the actual auction would use a 7-minute quiet period for bid extensions instead of the 2-minute period used in the mock auction. AR, Tab 13, Reverse Auction Invitation at 1. In this regard, the instructions

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<sup>3</sup> As discussed below in note 10, to satisfy the solicitation’s minimum bid decrement rule, bidders were required to reduce their bid amount by \$150,000--as compared to the price of their *own* last submitted bid. COS/MOL at 4 (*citing* AR, Tab 7, Training Video 6) (explaining that “[y]ou do not have to beat the low bid by that price - you just have to beat your own bid by that price.”).

<sup>4</sup> All time references in this decision are to Eastern Time.

noted the following: “Any bid submitted in the last 7 minutes of the scheduled end time will cause the end time to extend 7 more minutes. This process will repeat until no additional ‘late’ bids are submitted.” *Id.*; COS/MOL at 4. On July 25, XLCare accepted the invitation to the reverse auction and agreed to the reverse auction terms and conditions. AR, Tab 14, Procurex System Log for Reverse Auction at 1.

As relevant to the protest, to successfully submit a bid during the reverse auction, an offeror had to complete three steps. First, after logging into the Procurex system, an offeror had to review and accept all of the reverse auction terms and conditions. Supp. COS/MOL at 10. A Procurex webpage allowing the submission of bids would then display all of the auction details and parameters, including, as relevant here, the current end time of the event and the \$150,000 minimum bid decrement requirement. *Id.* at 10-11. Second, when submitting a bid, an offeror was prompted to preview and verify its bid. *Id.* When an offeror successfully previewed its bid, the Procurex system would record the completed transaction as “Successful Click of Preview Bid Button.” *Id.* at 10; see AR, Tab 14, Procurex System Log for Reverse Auction at 1. Finally, an offeror had to click on the “place bid” prompt generated by the system after the offeror successfully previewed its bid. Supp. COS/MOL at 10-11. When an offeror successfully placed a bid, the system would record the completed transaction as “Successful Bid Placed.” *Id.* at 11. At each stage of the process, offerors were able to see the current auction end time, the required minimum bid decrement amount, and the current low bid. *Id.* at 10-11; AR, Tab 35, Procurex Event Monitor Screenshot at 1.

On July 29, the reverse auction opened at 10:00 a.m., with 10:30 a.m. established as the scheduled end time. Bids that had been submitted with proposals, before the reverse auction, were identified as a “pre-bid”--with AvKARE’s pre-bid showing \$49,403,219.95 and XLCare’s pre-bid in the low bid position at \$39,673,570. AR, Tab 14, Procurex System Log for Reverse Auction at 1.

With just under 2 minutes left before the end of the auction, AvKARE submitted a new low bid of \$39,672,210.25. *Id.* Because this bid was placed during the last 7 minutes of the event, the reverse auction end time was automatically extended by 7 minutes--to 10:37 a.m. *Id.* Thereafter, at 10:34:31 a.m., XLCare submitted a bid of \$39,510,846.20, and the event end time was again extended by 7 minutes, to 10:44 a.m. *Id.* AvKARE then placed a new low bid of \$39,510,148.75--at 10:36:33 a.m. *Id.* The event end time remained at 10:44 a.m since AvKARE’s bid had been placed before the last 7 minutes of bidding. *Id.*; COS/MOL at 4-5.

At 10:40:52 a.m., the Procurex system registered XLCare’s attempt to submit a bid of \$39,450,395.70. The system, however, rejected XLCare’s bid for failing to meet the minimum bid decrement requirement because the bid was only \$60,450.50 below XLCare’s most recent leading bid. *Id.*; COS/MOL at 5. Shortly thereafter, at 10:43:57 a.m., the system registered XLCare’s “Successful Click of Preview Bid Button”; however, the reverse auction ended at 10:44 a.m.--one second before the system registered XLCare’s failed attempt to submit a bid at 10:44:01 a.m. *Id.*

At the conclusion of the reverse auction, AvKARE had the lowest bid, with a final total price of \$39,510,148.75. *Id.* Based on these results, the agency awarded the contract to AvKARE as the technically acceptable offeror with the lowest price. This protest followed.

## DISCUSSION

XLCare contends that DLA conducted a flawed reverse auction in conflict with the solicitation and the reverse auction procedures. Specifically, XLCare asserts that various technical errors prevented XLCare from submitting a timely bid and then caused the auction to end earlier than required. XLCare also argues that the agency applied unstated evaluation criteria during the reverse auction by requiring a minimum bid decrement and then failed to equally enforce the minimum bid decrement requirement. We have reviewed all of XLCare's arguments and find no basis to sustain the protest. We address XLCare's primary allegations below.

### Procedural Errors in the Reverse Auction

XLCare first argues that "several material procedural errors" prevented XLCare from submitting a winning bid before the reverse auction ended. Protest at 8. In this regard, XLCare asserts that it "submitted its bid before the 10:44 [a.m.] deadline" but a "technical glitch in the system" incorrectly recorded its final bid as received late, at 10:44:01 a.m. *Id.* at 9. The agency responds that it investigated XLCare's allegations and found "no evidence of technical glitches reported in the system by Procurex or any other participants." COS/MOL at 11. The agency contends that it was XLCare's own actions, and not any technical system error, that caused XLCare's late bid. *Id.* at 10.

Based on the record before us, we see no basis to sustain XLCare's protest allegation. We note that proposals received after the exact time specified are "late," and generally may not be considered for award. See *ICS Nett, Inc.*, B-422575, July 24, 2024, at 4-5. As our Office has said in response to a nearly identical protest issue: it is an offeror's responsibility, when transmitting its proposal electronically, to ensure the proposal is transmitted sufficiently in advance of the time set for receipt of proposals to allow for timely receipt by the agency. *C2G Ltd., Co.*, B-411131, May 12, 2015, at 4 (denying protester's challenge to agency's rejection of a late bid received after the reverse auction ending time). Our Office will consider all relevant evidence in the record to ascertain whether a preponderance of the evidence shows that the proposal was at the designated location for receipt prior to the time set for closing. *Id.* Further, in negotiated procurements, we have explained that, unless it is shown to be unreasonable, the contracting official's declaration that a procurement is closed is determinative. *Id.; Caddell Constr. Co., Inc.*, B-280405, Aug. 24, 1998, at 8.

Here, we find that XLCare failed to establish that its revised bid was received by DLA prior to the reverse auction ending time or that any "technical glitch" caused XLCare's bid to be received after the auction ending time.

Instead, the record shows that the reverse auction functioned without any identifiable technical error. In this regard, after the reverse auction concluded, XLCare sent a series of emails to representatives from Procurex and DLA complaining of a “technical problem with the bidding process.” AR, Tab 18, XLCare July 29 Email to Procurex at 2; AR, Tab 17, XLCare July 29 Email to DLA at 2 (noting that XLCare submitted a bid “with a few second on the clock” but was “kicked out”). Subsequently, DLA investigated XLCare’s claims, finding no errors in the procurement process and no evidence that the Procurex system malfunctioned. COS/MOL at 6. The agency provided the results of this investigation--including detailed Procurex time logs of all bidding activity during the reverse auction--to XLCare prior to the time that XLCare submitted a protest with our Office. AR, Tab 27, Sept. 23 Letter from DLA to XLCare at 1-4. After receiving XLCare’s protest, DLA again contacted Procurex to determine whether any errors had occurred in the reverse auction and to confirm that the Procurex activity logs were accurate. See AR, Tab 29, Oct. 15, Email from DLA to Procurex at 1-2. The Procurex agent responded to the agency’s inquiry, confirming that the time stamps of the bids matched the Procurex activity log and re-confirming the accuracy of the Procurex activity logs. *Id.* at 2.

Standing in stark contrast to the evidence provided by the agency, XLCare provides no support for its assertions that a “technical glitch” in the reverse auction system prevented XLCare’s revised bid from being received before the reverse auction end time.<sup>5</sup> In sum, we see no evidence, and the protester has provided none, to support XLCare’s allegation that the agency or the Procurex system caused XLCare to have its bid received after the reverse auction ended.

Finally, we are unpersuaded by XLCare’s vague complaints of unfair treatment caused by alleged time lags the firm experienced during the bidding process--particularly given the agency’s advance warning to all offerors of the potential for time delays when submitting bids. Indeed, the reverse auction terms and conditions expressly notified offerors of a “time difference between when you click the ‘submit your bid’ button and the bids’ recorded receipt.” See AR, Tab 5, Reverse Auction Terms & Conditions at 1. Moreover, the agency cautioned that “if you wait too long to submit your bid, it will be rejected if it is not received by this application prior to the closing time [so it] is strongly recommended that you do not wait until the last minute to submit a bid.” *Id.* at 2. Even

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<sup>5</sup> We likewise note that the recorded time span between XLCare’s bid preview and its late bid suggests that any delay was caused by XLCare and not by a malfunction or “technical glitch” in the reverse auction system. In this regard, the record shows a 4-second gap between XLCare’s click of the “Preview Bid” button, at 10:43:57 a.m., and the system’s log of XLCare’s “Failure To Place Bid” at 10:44:01 a.m. This gap in time is entirely consistent with (if not much faster than) the time XLCare took on each prior successful bid in both the reverse auction and the mock auction. See AR, Tab 14, Procurex System Log for Reverse Auction (showing a time gap of 58 seconds between preview bid and placing XLCare’s first successful bid); AR, Tab 11, Procurex Mock Auction System Log (showing time gaps of 13 seconds, 25 seconds and 83 seconds between XLCare clicking preview bid and then placing successful bid).

if the agency had not given offerors an express warning, however, our Office has denied a nearly identical protest allegation where there was no advance warning, explaining that “the potential delay between entering data, transmitting the data across the internet, and the receiving system processing the data is readily apparent from common experience using the internet.” *C2G, Ltd., Co., supra*, at 5. Although it has been more than 10 years since our decision in *C2G Ltd., Co.*, delays associated with transmitting data across the internet remain possible--and therefore should be anticipated regardless of whether any advance warning is provided. We therefore deny this protest allegation.

Next, XLCare alleges that the reverse auction system did not account for all of the bids received, which “incorrectly shortened [the reverse auction] by seven minutes[.]” COS/MOL at 9. In this regard, XLCare states that the agency was required to automatically extend the auction end time by 7 minutes for each bid. *Id.* XLCare notes that three successful bids were submitted, but the agency only gave two 7-minute extensions. *Id.* The protester contends that had the agency properly complied with the bid extension rule, the end time of the auction would have extended to 10:51 a.m. (instead of remaining at 10:44 a.m.), which XLCare argues would have allowed it sufficient time to place a successful bid. *Id.*

In response, the agency argues that XLCare misconstrues the bid extension rule set forth in the reverse auction instructions, contending that the bid extension functioned precisely as stated in the instructions. COS/MOL at 9-11; Supp. COS/MOL at 11. The agency asserts that XLCare’s argument is premised on its own unreasonable misinterpretation of the bid extension rule. Specifically, DLA notes that the third bid was submitted with 7 minutes and 27 seconds before the auction end time. Because the third bid was not submitted in the last 7 minutes of the auction, the bid did not trigger another automatic 7-minute extension. COS/MOL at 10; Supp. COS/MOL at 11. We agree with the agency and deny this protest allegation.

We begin, first, with the undisputed facts. As noted above, the reverse auction instructions notified offerors that “[a]ny bid submitted in the last 7 minutes of the scheduled end time will cause the end time to extend 7 more minutes. This process will repeat until no additional ‘late’ bids are submitted.” AR, Tab 13, Reverse Auction Invitation at 1. There is no dispute that the first two bids properly triggered automatic extensions of the reverse auction end time. Specifically, because the first scheduled end time was 10:30 a.m., when AvKARE submitted the first bid at 10:28:03 a.m. (*i.e.*, with 1 minute and 57 seconds remaining before the scheduled end time), the auction end time automatically extended to 10:37 a.m. Similarly, when XLCare submitted the second bid at 10:34:31 a.m.--2 minutes and 29 seconds before the auction’s scheduled end time of 10:37 a.m.--the system again extended the auction end time by 7 minutes, to 10:44 a.m. AR, Tab 14, Procurex System Log for Reverse Auction at 1.

The parties’ dispute centers on what happened next. The protester asserts that the third bid, submitted by AvKARE at 10:36:33 a.m., “should have extended the reverse auction until 10:51 [a.m.]” because the auction end time was “supposed to automatically

extend for an additional seven minutes with each bid submitted in the last seven minutes of the auction.” Protest at 8. The agency maintains, however, that XLCare’s previous bid, submitted at 10:34:31 a.m., had *already* extended the end time by 7 minutes--to 10:44 a.m. Supp. COS/MOL at 11. In this regard, the agency notes that AvKARE submitted the third bid at 10:36:33 a.m., which, at that time, was 7 minutes and 27 seconds before the scheduled auction end time of 10:44 a.m. *Id.* Because this third bid was not submitted “in the last 7 minutes of the scheduled end time,” the third bid did not trigger an additional 7-minute time extension under the reverse auction terms. *Id.* In sum, the agency contends that XLCare’s argument is premised on XLCare’s misunderstanding of the bid extension rule, which functioned exactly as described to offerors in the reverse auction instructions.<sup>6</sup> *Id.*; COS/MOL at 10.

We agree with the agency and see no basis to sustain XLCare’s protest allegation. As noted above, when XLCare submitted the second bid at 10:34:31 a.m., the auction end time was automatically extended--at that instant--from 10:37 a.m. to 10:44 a.m. See COS/MOL at 10 (noting that time changes occur “in real time”). Consequently, any bid submitted between 10:34:31 a.m. and 10:36:59 a.m. (including AvKARE’s third bid submitted at 10:36:33 a.m.) would no longer be submitted “in the last 7 minutes of the scheduled end time” because the auction’s “scheduled end time” had already changed from 10:37 a.m. to 10:44 a.m. In short, XLCare’s argument is contradicted by the plain language of the bid extension rule and the time stamp of the third submitted bid.<sup>7</sup> We therefore deny this allegation.

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<sup>6</sup> XLCare also contends that “when AvKARE submitted a bid at 10:36:33 [a.m.], it did not appear on XLCare’s screen until after 10:40 [a.m.]” XLCare argues that this additional software glitch denied it “critical review time, which impacted its ability to submit a bid and compete for the award.” Protest at 8. As noted above, however, the agency investigated all allegations of technical glitches claimed by XLCare and reasonably concluded that no system errors had occurred. The agency also explains that the Procurex system registers end time extension changes “in real time,” once a successful bid is submitted. Supp. COS/MOL at 10. Again, XLCare has provided no evidence to support its assertions. Moreover, like the protester in *C2G, Ltd.*, XLCare also received the opportunity to participate in a mock auction where it could have, and should have, addressed any concerns regarding apparent lag times prior to the actual reverse auction. *C2G, Ltd., Co., supra*, at 5. As a result, we see no support for XLCare’s allegation that the reverse auction system malfunctioned or otherwise prevented the firm from accessing real-time auction information.

<sup>7</sup> To the extent that XLCare asserts that the bid extension rule is latently ambiguous, we disagree. XLCare argues that the term “Quiet Period,” as used in the reverse auction terms and conditions, could be interpreted to mean “the left-over time after a bid plus any 7-minute extension.” Supp. Comments at 6. The protester contends that this interpretation would add 7 minutes to the auction end time for each bid submitted during any quiet period regardless of whether the end time had already been extended. See *id.* at 6-7. We find this interpretation unreasonable. See *Interactive Info. Sols., Inc., B-415126.2 et. al*, Mar. 22, 2018, at 10 (noting that if the protester’s interpretation is not  
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## Minimum Bid Decrement

Next, the protester alleges that DLA “applied an unstated minimum bid decrement criterion” that “materially impacted XLCare’s ability to compete.” Protest at 9. In this regard, XLCare argues that offerors participating in the reverse auction were required to “reduce bids by \$150,000 despite this requirement not appearing in the Solicitation, the reverse auction invitation, or the commercial reverse auction terms and conditions.” Protest at 9. Although the protester acknowledges that all offerors were “put on notice of this requirement once they entered into the reverse auction system,” XLCare nevertheless contends it was “not [] provided the unstated rules” before the reverse auction, to its competitive detriment. *Id.* at 9-10

In response, DLA maintains that the minimum bid decrement requirement was not an unstated evaluation criterion, but a “stated reverse auction rule that was communicated to all offerors participating in the reverse auction.” COS/MOL at 16. In this regard, DLA argues that all offerors agreed to be bound by the reverse auction procedures and rules, including the minimum bid decrement requirement, before participating in the reverse auction. *Id.* The agency therefore contends that XLCare’s post-award challenge to the auction’s minimum bid decrement requirement is untimely. Supp. COS/MOL at 10. We agree with the agency and dismiss this allegation as an untimely challenge to the reverse auction terms.

Our Bid Protest Regulations contain strict rules for the timely submission of protests. They specifically require that a protest based on alleged improprieties in a solicitation that are apparent prior to bid opening be filed before that time. 4 C.F.R. § 21.2(a)(1); *Staples Contract & Commercial, Inc.*, B-409528.34, B-409528.37, Dec. 3, 2014, at 4 n.3 (noting that “if the protester disagreed with the agency’s announced reverse auction methodology, it was required to protest this apparent solicitation impropriety before the receipt of proposals.”). Our timeliness rules reflect the dual requirements of giving parties a fair opportunity to present their cases and resolving protests expeditiously without unduly disrupting or delaying the procurement process. *Verizon Wireless*, B-406854, B-406854.2, Sept. 17, 2012, at 4.

Here, the minimum bid decrement rule was a reverse auction term authorized by the solicitation and clearly communicated to offerors before the reverse auction began. As noted above, the solicitation required all offerors participating in the reverse auction to agree to the reverse auction terms and conditions set by the commercial reverse auction service provider. AR, Tab 2, RFP amend. 0004 at 2. In addition, when the agency invited offerors to the reverse auction, it instructed offerors to review the auction details, including “items, terms, bidding date/time, parameters, etc.” AR, Tab 13, Reverse Auction Invitation at 1. One of the auction parameters, displayed prominently

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reasonable, there can be no ambiguity). The protester’s argument is in clear conflict with the reverse auction instructions, noted above, that limit bid extensions to when a bid is submitted in the last 7 minutes of the scheduled end time.

on the reverse auction invitation page, was the minimum bid decrement requirement. AR, Tab 45, Procurex Invitation Page at 1 (showing the “Min Decrement” column as “150,000.00”). Also on this invitation page was a button where offerors were required to review and accept all terms and conditions before proceeding to the auction. *Id.* By accepting the bid auction invitation, therefore, XLCare accepted all reverse auction terms and conditions--including the minimum bid decrement requirement.

We likewise find that any assertions that XLCare was unaware of the minimum bid decrement strain credulity. As noted above, the solicitation required that offerors receive training in the reverse auction system before engaging in the actual reverse auction. AR, Tab 2, RFP amend. 0004 at 2. Accordingly, DLA provided offerors access to training videos that explained, among other things, the auction’s minimum bid decrement rule.<sup>8</sup> AR, Tab 4, DLA Mock Auction Invitation at 1-2; COS/MOL at 4, 16. The agency also invited offerors to train on the Procurex system by participating in a mock auction using the same system, with the same minimum bid decrement amount, that the agency used in the actual reverse auction. Supp. COS/MOL at 12 n.8. In this regard, during the reverse auction (and in the mock auction), each time an offeror placed a bid, the Procurex system webpage displayed the minimum decrement column and the amount of \$150,000. *Id.* at 13-14; AR, Tab 35, Procurex Event Monitor Screenshot; AR, Tab 9, Mock Auction Event Monitor Screenshot at 1-2. The mock reverse auction activity log also shows that XLCare had two bids rejected for failing to satisfy the minimum bid decrement requirement--providing XLCare further direct notice that bids were required to satisfy the minimum bid decrement rule.<sup>9</sup> AR, Tab 11, Mock Auction Activity Log at 1.

On this record, we find that at the time the reverse auction began at 10:00 a.m. on July 29, XLCare knew or should have known of the reverse auction’s minimum decrement requirement. Because XLCare failed to timely object to the terms governing the reverse auction before agreeing to participate in the reverse auction, XLCare’s protest allegation is now untimely and is dismissed.<sup>10</sup> See *Staples Contract & Commercial, Inc.*, *supra*, at 4, n.3.

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<sup>8</sup> The record shows, however, that although the agency provided XLCare with the ability to access all training videos, XLCare did not actually access the Procurex training videos until July 29--*after* the reverse auction ended. See AR, Tab 8, Procurex System Log of XLCare Training Video Access.

<sup>9</sup> On the day of the reverse auction, before the actual auction began, XLCare continued to practice on the Procurex system--and again received a notification when one of its bids was rejected for failing to meet the minimum bid decrement requirement. AR, Tab 14, Procurex System Log for Reverse Auction at 1.

<sup>10</sup> XLCare also asserts that the agency failed to evenly apply the minimum bid decrement rule to exclude the winning bid submitted by AvKARE, which was only \$697.45 less than the previously winning bid submitted by XLCare. We disagree and note that, again, XLCare’s allegation is premised on a misunderstanding of the reverse  
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Finally, XLCare alleges that DLA failed to contemporaneously document its determination not to reopen the reverse auction. Comments & Supp. Protest at 8. XLCare notes that on July 30, the day after the reverse auction ended and after XLCare reported the alleged “technical glitch,” DLA initially notified XLCare that the agency intended to reopen the reverse auction. AR, Tab 19, July 30 Email to XLCare at 1. On August 20, however, “DLA abruptly reversed course and without explanation indicated it would no longer reopen the reverse auction.” Comments & Supp. Protest at 8. The protester argues that the record fails to demonstrate a reasonable basis for DLA’s determination not to reopen the reverse auction. We disagree and deny this protest ground.

As an initial matter, the RFP notified all offerors that the agency would use the reverse auction process to conduct “price discussions.” AR, Tab 2, RFP amend. 0004 at 2. In this regard, the protester’s allegation that the agency failed to document its determination not to reopen the reverse auction is, in effect, a challenge to the agency’s decision to not reopen price discussions. As our Office has explained, when an agency engages in discussions that are meaningful, equal, and adequate, the agency is well within its discretion to decline to reopen discussions. *A-T Sols., Inc.*, B-413652.2, *et. al*, July 5, 2017, at 2. As a result, a contracting officer’s discretion in deciding not to reopen discussions is quite broad, and an agency’s decision not to reopen discussions is a matter our Office generally will not review. *Metcalf Constr. Co., Inc.*, B-289100, Jan. 14, 2002, at 5; *see also Staples Contract & Commercial, Inc., supra*, at 4 n.3 (protester’s disagreement with the agency’s judgment as to the number of reverse auction rounds does not provide a basis to sustain a protest).

In addition, the solicitation gave the contracting officer broad discretion in this area, noting that the “contracting officer may, at their sole discretion, extend or re-open the reverse auction if the reason for the offeror’s inability to enter pricing is determined to be

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auction rules. As noted above, offerors had access to training videos that explained various aspects of how the reverse auction would be conducted. Relevant here, one training video explained that “the minimum decrement is the amount that you must lower your own bid by each time you [] place a bid.” COS/MOL at 4. (citing AR, Tab 7, Training Video 6). The training video further explained that “[y]ou do not have to beat the low bid by that price - you just have to beat your own bid by that price.” *Id.* (citing AR, Tab 7, Training Video 6). When AvKARE placed the third bid of \$39,510,148.75 at 10:36:33 a.m., the bid was lower than AvKARE’s most recent successful bid by \$162,061.50--thus meeting the auction’s \$150,000 minimum bid decrement requirement. COS/MOL at 17-18. In contrast, when XLCare attempted to submit a bid of \$39,450,395.70, the bid was rejected because it was only \$60,450.50 lower than XLCare’s most recent bid. *Id.* On this record, we see no support for XLCare’s allegation that the agency failed to consistently apply the reverse auction’s minimum bid decrement rule to the bids submitted by AvKARE and XLCare.

without fault on the part of the offeror and outside the offeror's control." AR, Tab 2, RFP amend. 0004 at 2. Further, the agency promptly investigated XLCare's allegations and then reasonably concluded that the fault for any missubmitted bids lay with XLCare's bidding approach--and not with the agency or the agency's third-party reverse auction service. Given the discretion afforded agencies in this area, and considering the agency's reasonable investigation of the facts and its allocation of responsibility, we see no basis to question the agency's decision not to reopen the reverse auction. See *Staples Contract & Commercial, Inc., supra*, at 4 n.3. We thus deny this protest allegation.

The protest is denied in part and dismissed in part.

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General Counsel