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Decision

Matter of: Crowley Government Services, Inc.

File: B-424373

Date: June 30, 2026

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Alex L. Sheppard Esq., and Patrick Sheehan, Esq., Department of the Navy, for the agency.
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DIGEST

1. Protest challenging the terms of the solicitation as creating unreasonable risk is denied where the record demonstrates that the solicitation does not impose unreasonable risk on offerors, contains risk-mitigating terms, and ultimately provides offerors with sufficient information to compete intelligently and equally.
 2. Protest that the terms of the solicitation are inconsistent with customary commercial practice is denied where the record contains a valid waiver issued by the agency.
 3. Protest challenging the amount of time afforded to offerors to respond to the solicitation is denied where the record demonstrates that the agency provided offerors with sufficient time to prepare and submit proposals.
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DECISION

Crowley Government Services, Inc. (Crowley), of Jacksonville, Florida, protests the terms of request for proposals (RFP) No. N0002426R2421, issued by the Department of the Navy for a vehicle construction manager (VCM) to procure up to eight ships for the Navy's medium landing ship (LSM) program. Crowley contends that the solicitation imposes unreasonable levels of risk, is inconsistent with customary commercial practice, and fails to provide offerors with sufficient time to respond.

We deny the protest.

BACKGROUND

The instant protest involves the Navy's requirement for LSM vessels. Given the complexity of the relevant background information and the structure of the challenged solicitation, we first provide a brief discussion of the relevant background and the solicitation prior to discussing the protest.

The LSM Program

The LSM program, formerly known as the light amphibious warship program, was established in 2020 to provide distributed shore-to-shore maneuver, mobility, and sustainment of Marine forces operating in littoral environments. Combined Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 3.¹ The Navy originally intended to fulfill its LSM requirement with purpose-built vessels, designed and developed for the Navy. *Id.* Two solicitations were contemplated to fulfil this requirement. The first solicitation would be for a lead shipyard to produce the first ship of the class, a technical data package (TDP), data rights, provisioned items, options for support services, options for post-delivery support, options for lifecycle engineering and special studies, and options for up to five additional ships. *Id.* The second solicitation would be for a second shipyard to then design and construct one additional ship using the TDP developed by the lead yard, data rights, a TDP, options for special studies, and options for up to six additional ships. *Id.* at 3-4.

The Navy issued the lead shipyard solicitation in early 2024 and received three proposals in response, all of which exceeded the Navy's expected budget. *Id.* At the same time, proposed bills for the fiscal year 2025 National Defense Authorization Act (NDAA) included language to prohibit the award of any ships for the LSM program prior to the certification of certain design information.² *Id.* at 4. These bills also provided for bifurcating the contemplated work into two separate and distinct procurements, one for design and one for construction. *Id.* In light of the budgetary issues and proposed legislation, the Navy canceled the lead yard solicitation and reconsidered its approach. *Id.*

The fiscal year 2025 NDAA was passed in December of 2024. Service Member Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, Pub. L. No. 118-159, 138 Stat. 1773 (2024). Relevant here, section 128 included a limitation on the construction of ships for the LSM program so that the Navy could not enter into a

¹ Unless otherwise noted, our citations reference the Adobe PDF page numbers of the relevant documents.

² The referenced bills involved both the House Armed Services Committee's and the Senate Armed Services Committee's bills introduced for the fiscal year 2025 NDAA. COS/MOL at 4 n.3-4; FY 2025 NDAA, H.R. 8070, 118th Cong. § 136 (2024); FY 2025 NDAA, S. 4638, 118th Cong. § 123 (2024).

contract for construction until it certified to the congressional defense committees that basic and functional design with respect to the ship was complete. *Id.* The limitation, however, did not apply to the lead ship of the LSM program if the ship is a commercial or non-developmental item (CNDI). *Id.* § 128(b)(1). Thus, the Navy began researching the feasibility of fulfilling the LSM program with a CNDI design. COS/MOL at 5.

The Navy's market research and the agency's long-term needs led to the current procurement strategy, which divides the LSM program into two separate requirements. *Id.* The first requirement is referred to as LSM Block 1, while the second requirement is referred to as LSM Block Next.³ *Id.* LSM Block 1 is intended to fulfil the Navy's initial capability goal as quickly as possible using a "build-to-print" CNDI design with construction occurring concurrently at multiple shipyards.⁴ *Id.*

Having decided to fulfil the LSM requirement using the strategy discussed above, the Navy proceeded to research feasible CNDI ship designs and U.S. shipyard capacity to produce the required ships from a build-to-print design. *Id.* After issuing a request for information and receiving responses, the Navy determined that two feasible designs existed; the Bollinger Shipyards (Bollinger) Non-Developmental Logistics Support Vessel (ND-LSV), and the Damen Shipbuilding & Cooperation B.V. (Damen) Landing Ship Transport 100 (LST 100). *Id.* at 5-6. Ultimately, the Damen LST 100 was selected as the official design basis for the initial ships of the LSM class. *Id.* at 6-7. Having selected the design of the contemplated ships, the Navy next had to consider engineering and design agent support due to factors relevant to the Damen design and the Navy's construction strategy.

The Damen LST 100 is a Dutch design. *Id.* at 7. The only existing ship built from the LST 100 design is Nigeria's NNS Kada constructed at the Damen shipyard in the United Arab Emirates in 2021. *Id.* at 7, 37; see Agency Report (AR) Tab 30, Decl. of Deputy Program Manager PMS 317B ¶ 6. According to the Navy's deputy program manager, a mechanical engineer overseeing the LSM program since 2024, because the only LST 100 ship was built at a foreign shipyard over 5 years ago and is of a Dutch design, the LST 100 design will likely need updates for obsolete parts and materials and to comply with U.S. domestic sourcing requirements. AR, Tab 30, Decl. of Deputy Program Manager PMS 317B ¶ 6. The deputy program manager states that such updates are standard in shipbuilding, even for, like here, build-to-print designs. *Id.* Furthermore, the deputy program manager explains that due to the Navy's strategy to construct ships concurrently at multiple shipyards, the physical differences in the facilities and machinery at the shipyards necessitate differences in productions design. *Id.* ¶ 9.

³ The instant procurement is part of the LSM Block 1 requirement. COS/MOL at 5.

⁴ "Build-to-print" is a shipbuilding term referring to construction of a ship from a detailed design provided by the purchaser. COS/MOL at 5 n.6. For comparative purposes, "build-to-spec" would refer to construction of a ship that meets the purchaser's specifications but would not necessarily require a specific design. *Id.*

The Navy determined that Damen, as the originator, owner, and design agent for the LST 100 design, would be best suited to analyze, update, and modify the design for the Navy as needed. COS/MOL at 7. Thus, Damen was selected as the Navy's engineering and design agent for this effort. *Id.* Having selected its engineering and design agent, the Navy next proceeded to plan for construction of the lead ship.

The Navy found that the Bollinger shipyard was the only shipyard with experience manufacturing multiple landing craft classes based on the ND-LSV design, that it had experience working with Damen, had built ships from Damen designs, and had at least some experience working with the LST 100 design from early industry studies and proposal efforts. COS/MOL at 8. Therefore, the Navy determined that Bollinger was the best suited shipyard to build the lead ship and selected Bollinger as the directed source for the construction of the lead ship. *Id.* At this time, the Navy was negotiating directly with Bollinger for the construction of the lead ship. As will be discussed more, subsequent changes in acquisition strategy resulted in the Navy abandoning its negotiation efforts with Bollinger in order to pursue a VCM strategy.

While the Navy negotiated with Bollinger for construction of the lead ship, Navy leadership became increasingly interested in utilizing a VCM.⁵ COS/MOL at 9. Thus, the Navy began engaging with industry to explore how a VCM might integrate with the acquisition effort. *Id.* Concurrently with these efforts, the fiscal year 2026 NDAA became law. Fiscal Year 2026 NDAA, Pub. L. No. 119-60, 139 Stat. 718 (2025). The fiscal year 2026 NDAA required the Navy to incorporate a VCM acquisition strategy into the LSM Block 1 procurement efforts. *Id.* § 129(a)(1) (directing the Navy "to enter into an agreement with an appropriate vessel construction manager pursuant to which the vessel construction manager shall seek to enter into one or more contracts for the construction of not more than 8 additional landing ships under the program.") Thus, the Navy was statutorily required to adjust its LSM Block 1 strategy to use a VCM. COS/MOL at 10.

In addition, the Navy has had to account for time-sensitive budgetary issues. *Id.* In short, the Navy has just over \$2.2 billion for a VCM contract; however, if the Navy does not obligate that funding by the end of fiscal year 2026, the funding may be subject to an 8.3 percent reduction based on an annual process occurring under the Balanced Budget and Emergency Deficit Control Act of 1985. *Id.* The agency has expressed that it does not wish to incur the possible 8.3 percent reduction and therefore intends to obligate the full amount in fiscal year 2026. *Id.*

Adding an additional layer of complexity to the LSM Block 1 effort, when planning for VCM integration, the Navy canceled the separate Constellation-class frigate program. *Id.* at 12. The Fincantieri Marinette Marine (FMM) shipyard was responsible for

⁵ The VCM manages the process of building and delivering multiple LSM ships from multiple shipyards; it is not expected to build ships. See RFP at 28-37.

construction of Constellation-class frigates. *Id.* at 12 n.23. The cancelation of the Constellation-class frigate program created “an immediate and substantial gap in the production workload” at the FMM shipyard. *Id.* at 12. The Navy determined that loss of production continuity at FMM created risks such as degradation of specialized shipbuilding skills and attrition of a trained workforce. *Id.* The Navy also determined that preserving FMM as an active producer in the industrial base was essential to maintaining balanced and resilient supply sources. *Id.* For those reasons, the Navy selected FMM as a directed source for the construction of four LSM ships to achieve industrial base mobilization. *Id.*

To recap, there are three relevant “directed sources” involved in the instant procurement: Damen, Bollinger, and FMM. Damen is the directed source for engineering and design support, Bollinger is the directed source for construction of the lead ship, and FMM is the directed source for the construction of four LSM ships.⁶ Next, we discuss the specifics of the instant solicitation.

The VCM Solicitation

The Navy issued the instant RFP on February 17, 2026, using the commercial products and services procedures of Federal Acquisition Regulation (FAR) part 12, and the contracting by negotiation procedures of FAR part 15.⁷ AR, Tab 1, RFP at 1, 42, 137. The solicitation contemplates establishing a fixed-price contract with a VCM for the selection and award of shipbuilding contracts, configuration management and design across multiple shipyards, oversight of shipyard construction, negotiation of class standard equipment, provisioning, crew training, and turnover to a government crew. *Id.* at 25, 121. The minimum number of LSM ships is to be proposed by offerors, subject to the directed source requirements of the RFP, and the maximum number of LSM ships is eight. *Id.* at 6. The RFP contemplates delivery of at least five but no more than eight LSM ships by September 30, 2031. *Id.* at 67. The agency will make award based on a best-value tradeoff considering the following evaluation factors: management plan and approach; shipyard selection strategy and approach; past performance; corporate health and financial capability; and price.⁸ *Id.* at 138.

⁶ Class justification and approval (CJ&A) No. 22,215 (Sept. 10, 2025) directs the procurement of one ship from Bollinger under contract No. N00024-25-C-2414; CJ&A No. 22,593 (Feb. 17, 2026) directs the procurement of up to four ships from FMM under contract No. N00024-26-C-2430; and CJ&A 22,569 (Feb. 17, 2026) directs the procurement of design and configuration agent services from Damen under a modification to contract No. N00024-25-C-2414. COS/MOL at 6-7, 13; RFP at 28.

⁷ The Navy explains that the solicitation generally is not governed by the Revolutionary FAR Overhaul (RFO) because the RFO DFARS class deviations were not in effect at the time of solicitation drafting and approval. Navy Resp. to GAO, May 27, 2026.

⁸ The solicitation contained certain mandatory eligibility requirements that limited the field of potential offerors to those firms with demonstrated prior experience negotiating, (continued...)

The RFP contains the following relevant contract line item number (CLIN) structure. CLINs 0001-0007 require the VCM to conduct source selection and to establish subcontracts to procure ships.⁹ RFP at 3-6. CLINs 0001-0003 are base CLINs, while CLINs 0004-0007 are options. *Id.* CLIN 0001 requires the VCM to establish a subcontract with Bollinger for the delivery of one LSM ship. *Id.* at 3. CLIN 0002 requires the VCM to establish a subcontract with FMM for the delivery of four LSM ships. *Id.* CLIN 0003 requires the VCM to negotiate and award “up to” three additional LSM ships. *Id.* at 4. The option CLINs cover fiscal years 2027, 2028, 2029, and 2030, and can be exercised to allow the VCM to “Solicit, Negotiate, and Award LSMs” under subcontracts. *Id.* at 4-6, 29.

CLINs 0101-0108 are for shipyard construction subcontract awards and are all designated as options. COS/MOL at 13. As will be discussed more below, these CLINs cannot be exercised until the VCM secures subcontracts, as required. *Id.* at 14; RFP at 104. CLINs 0101-0105 are option CLINs for the directed source LSM ships; CLIN 0101 is for the construction of the LSM lead ship at Bollinger, and CLINs 0102-0105 are for the construction of the mandatory ships from FMM. RFP at 7-9. CLINs 0106-0108 are option CLINs for the construction of LSM ships with no specific source designation. *Id.* at 9-10.

CLINs 0201-0208 are option CLINs for vessel construction oversight and management in support of the corresponding shipyard construction CLINs 0101-0108 (for example, CLIN 0201 corresponds to CLIN 0101, and CLIN 0202 corresponds to CLIN 0102). RFP at 11-15. CLINs 0300-0301 are base CLINs for orders (e.g., development of training, support of engineering studies), and CLINs 0400-0401 are base CLINs for incentives. *Id.* at 17. Like CLINs 0101-0108, CLINs 0201-0208 cannot be exercised until an LSM subcontract has been established. *Id.* at 104.

CLIN 0100 is a base CLIN for initial LSM procurement prior to the award of the contemplated subcontracts. RFP at 6; COS/MOL at 13. The Navy explains that this CLIN is intended to allow obligation of funding for the procurement of up to eight ships at the time the VCM contract is awarded, while not necessarily requiring the construction of any ships at that time. COS/MOL at 14. Subject to CLIN note E

(...continued)

awarding, and managing construction of a documented vessel of comparable size, scope, or complexity to the ships contemplated for the LSM program, delivered within 10 years from the date the RFP was issued. RFP at 121.

⁹ As explained further below, the RFP requires the VCM to use best efforts to negotiate with the directed sources. RFP at 27. If the VCM is unable to establish a fair and reasonable subcontract with a directed source, the VCM is directed to notify the procuring contracting officer who can allow the VCM to procure the necessary ship from an alternative source. *Id.* at 27-28.

(reproduced in relevant part below), the actual construction of ships will not be authorized until the VCM has negotiated the contemplated subcontracts. *Id.*; RFP at 18-19.

CLIN note E states the following, in relevant part:

CLIN 0100 is for the procurement of a minimum of [__¹⁰] LSMs and a maximum [number] of 8 LSMs. []

Construction of the LSMs procured under this CLIN is not authorized until such time that the VCM has negotiated the LSM subcontract price per either CLIN 0001, 0002, and 0003 and the award of applicable LSM quantity and negotiated subcontract value is transferred from CLIN 0100 to the appropriate construction CLIN under CLINs 0101-0108. At that time the applicable CLIN 0101-0108 will be exercised and the VCM may proceed with construction of that LSM per terms and conditions within this contract.

CLIN 0100 [firm fixed price (FFP)] value will be calculated by subtracting the proposed pricing for CLINs 0001-0003, and 0201-0208 (as applicable) from the total value in Note A.¹¹ Applicable CLINs under [CLINs] 0201-0208 will be based on the minimum quantity of LSMs being awarded under CLIN 0100. For example, if a minimum quantity of 7 LSMs is established under CLIN 0100 then CLINs 0201-0207 will be awarded as part of the basic contract and the value of those CLINs will be used in the calculation determining the FFP value of CLIN 0100. CLIN 0208 would remain in the contract as an option.

RFP at 18-19.

Proposals were originally due on April 2, 2026; however, the proposal submission deadline was amended multiple times. COS/MOL at 14. Ultimately, proposals were due on May 4, which was 76 days from the date the solicitation was issued, and 17 days after April 17, the date the last amendment was issued. *Id.* at 17. The instant protest was filed on March 27.¹²

¹⁰ This line is left blank in the RFP because the quantity is intended to be proposed based on the quantity of LSMs affordable using offerors' proposed "not to exceed" prices. RFP at 18.

¹¹ CLIN Note A states: "There is a maximum value of \$2,206,000,000 to purchase items under CLINs 0001-0003, 0101-0108, and 0201-0208." RFP at 18

¹² Crowley did not submit a proposal in response to the RFP.

DISCUSSION

Crowley challenges the terms of the solicitation in three primary ways. First, the protester contends that the solicitation imposes unreasonable levels of risk on offerors, which prevents fair and equal competition. Second, the protester asserts that the solicitation contains terms and conditions contrary to customary commercial practice. Finally, the protester argues that the Navy failed to provide a reasonable amount of time to prepare and submit proposals.¹³ As discussed below, we deny the protest.

Allocation of Risk

Crowley asserts that the terms of the RFP impose unreasonable and commercially unacceptable levels of risk on offerors, preventing intelligent and fair competition. Protest at 17-25; Comments at 7-22. Crowley's primary objection involves the RFP's requirement for the VCM to enter into directed subcontracts. In short, the protester argues that the requirement to enter into directed subcontracts imposes unreasonable risk by removing the VCM's negotiation leverage over the shipyards and postulates that the VCM will be in default should any of the directed sources refuse to negotiate in good faith. Crowley also contends that the RFP creates unreasonable risk because, as alleged by Crowley, the LST 100 design is an incomplete design which creates various risks such as performance delays due to design modifications. *Id.* The Navy disagrees with Crowley on all grounds. As discussed below, we deny the protest.

As a general rule, the contracting agency must give offerors sufficient detail in a solicitation to enable offerors to compete intelligently and on a relatively equal basis. *Supreme Foodservice GmbH*, B-405400, B-405400.2, Oct. 31, 2011, at 9. The contracting agency has the primary responsibility for determining its needs and the method of accommodating them. *Id.* at 10. We will not disturb an agency's choice of procurement approach absent clear evidence that such an approach is arbitrary or unreasonable or in violation of statute or regulation. *Id.*

The mere presence of risk in a solicitation does not make the solicitation inappropriate or improper. *TN-KY Contractors*, B-291997.2, May 5, 2003, at 3. It is within the discretion of an agency to offer for competition a proposed contract that imposes maximum risks on the contractor and minimum burdens on the agency, and an offeror should account for this in formulating its proposal. *Second Street Holdings, LLC*, B-417006, Jan. 17, 2019, at 4; *Phoenix Envtl. Design, Inc.*, B-411746, Oct. 14, 2015, at 3. There is no requirement that a competition be based on specifications drafted in such detail as to eliminate all risk or remove every uncertainty from the mind of every prospective offeror. *Trademasters Serv., Inc.*, B-418546, June 10, 2020, at 3. Risk is

¹³ Crowley voluntarily withdrew several of its protest grounds. See Comments at 2 n.1. Furthermore, Crowley raises several collateral arguments. While our decision does not discuss every argument raised, we have reviewed them all and conclude that none provide a basis to sustain the protest.

inherent in most types of contracts, particularly fixed-price contracts, and firms must use their professional expertise and business judgment in anticipating a variety of influences affecting performance costs. *LOGMET LLC*, B-421838, Oct. 5, 2023, at 5.

As discussed above, Crowley primarily objects to the alleged risk created by the RFP's directed source requirements. The RFP contains three directed sources that the VCM must work with in performing the contemplated contract: Damen, Bollinger, and FMM. RFP at 28. Relevant here, CLIN 0001 is a fixed price CLIN requiring the VCM to establish a subcontract with Bollinger ("Solicit, Negotiate, and Award 1 LSM to Bollinger") subject to CLIN notes A and B, while CLIN 0002 is a fixed price CLIN requiring the VCM to establish a subcontract with FMM ("Solicit, Negotiate, and Award 4 LSMs to FMM") subject to CLIN notes A and C.¹⁴ RFP at 3.

Crowley argues that the RFP's allocation of risk is unreasonable because CLINs 0001 and 0002 require the VCM to reach an agreement with a third party, the directed source shipyards, and thus the ability to successfully perform is unreasonably dependent on the agreement of a third party. Protest at 23; Comments at 10-14. Crowley asserts that nothing in the RFP ensures that the directed sources will negotiate with the VCM in good faith and that "any one of them could refuse to accept Crowley's terms, no matter how favorable." Protest at 23. Crowley argues that such refusal to negotiate would result in the VCM defaulting on the contract, which is inherently unreasonable because the default would be the fault of the third party, not the VCM prime contractor. *Id.* at 24.

The Navy disagrees with Crowley's assessment of risk and its understanding of the solicitation. COS/MOL at 31-34. The Navy recognizes that the RFP creates some amount of risk but argues that the imposition of risk is not in and of itself unreasonable and also recognizes that offerors will likely propose higher prices to account for the risks inherent in this requirement. COS/MOL at 33-34. The Navy's position is that the RFP's CLIN structure will protect both the Navy and the VCM if the VCM is unable to award a subcontract; the RFP contains a relief mechanism should a directed source refuse to negotiate in good faith; and the RFP does not create a scenario where successful performance is based on the agreement of a third party. COS/MOL at 31-34

For example, the Navy states that under CLIN 0001, at the time of contract award, the VCM will be required to negotiate and award a subcontract with Bollinger for one LSM ship. COS/MOL at 32. The Navy states that while negotiations to satisfy CLIN 0001 will be tied to CLINs 0101 and 0202, which govern the construction and the oversight of construction for the one ship, CLINs 0101 and 0201 remain optional CLINs that cannot be exercised until the subcontract is in place. *Id.* at 32-33. The Navy explains that

¹⁴ CLIN note A established the maximum value for purchases under CLINs 0001-0003, 0101-0108, and 0201-0208; CLIN note B explains that CLIN 0001 is for the VCM to establish a subcontract with Bollinger while CLIN 0101 will fund the work; and CLIN note C explains that CLIN 0002 is for the VCM to establish a subcontract with FMM while CLINs 0102-0105 will fund the work. RFP at 18.

should Bollinger refuse to negotiate in good faith preventing the VCM from establishing the required subcontract, “the general obligation to procure the ship remains, but there is no specific obligation to procure it from Bollinger because CLINs 0101 and 0201 cannot be exercised without the subcontract.” *Id.* at 33. The Navy claims that in this scenario, the VCM would still be paid for its efforts (under commercial milestone payments, see RFP at 77-80) and the unspent funds associated with unexercised CLINs would remain available for other efforts. *Id.*

The Navy also points to RFP section C-1.6, which creates the aforementioned relief mechanism should a directed source refuse to negotiate. RFP section C-1.6 states, in relevant part:

The VCM shall use its best efforts to negotiate and achieve fair and reasonable pricing, terms, and conditions with the directed source(s). In the event the VCM is unable to establish a fair and reasonable deal with the directed source(s), the VCM shall notify the Procuring Contracting Officer (PCO) as soon as possible with:

- 1) A summary of the negotiation timeline and key events;
- 2) the final offers from both the VCM and the directed source; and[;]
- 3) the VCM’s analysis of why the directed source’s offer is not considered fair and reasonable.

Upon review of the VCM’s submission, the PCO shall make a determination of the appropriate government course of action which could include allowing the VCM to pursue an alternative source. The government reserves all rights and remedies available to it under law and regulation to resolve the impasse and ensure the timely delivery of vessels in the government’s interest.

RFP at 27-28. The Navy argues that to the extent the VCM is subjected to risk from the requirement to enter into subcontracts, RFP section C-1.6 sufficiently mitigates that risk. COS/MOL at 33.

The Navy further argues that under the terms of the RFP the VCM will not be in default if the directed sources refuse to negotiate in good faith. *Id.* at 34-35. To this point, the Navy states that it (the Navy) is responsible for the performance of its directed sources and therefore the VCM would not be in default or liable under the RFP’s liquidated damages clause¹⁵ in the event “delay or default is caused by the directed sources or by

¹⁵ The RFP contains a liquidated damages clause establishing that, if the contractor fails to deliver within the time specified in the contract, in place of actual damages, liquidated damages will be assessed at a rate of \$59,360 per day of delay, not to exceed \$10,000,000 per vessel. RFP at 90.

the Navy directly.” *Id.* at 34. The Navy also emphasizes RFP clause H.3, which states in relevant part:

Notwithstanding every other provision of this Contract, in the event that the Contractor is not able to deliver the vessel(s) to the Government due to the default of the subcontractor, the Contractor shall only be liable to the Government for the amounts/assets, which the Contractor recovers from the subcontractor pursuant to the remedies provided by law.

RFP at 80. The Navy also directs our Office to the terms of the liquidated damages clause which states: “The Contractor will not be charged with liquidated damages when the delay in delivery or performance is beyond the control and without the fault or negligence of the Contractor.” COS/MOL at 34 (citing RFP at 90). For all of these reasons, the Navy disagrees with Crowley’s assessment of risk and asks us to deny the protest.

In response, Crowley argues that CLINs 0001 and 0002 do not require the VCM to merely use “best efforts” to enter into subcontracts but demand the VCM actually enter into subcontracts. Comments at 7. According to Crowley, this means that “successful performance depends entirely on the agreement of a third party over whom Crowley has no control” rendering the terms of the RFP unreasonably risky. *Id.* The protester argues that nothing in the RFP supports the Navy’s assertion that the VCM would not be in default if a directed source shipyard refused to negotiate in good faith, even if the VCM used “best efforts” to enter into the required subcontract. *Id.* at 8, 11 (“The requirements for CLINs 0001-0002 are unenforceable, completely outside the control of the VCM, and facially unreasonable.”). Crowley argues that if the Navy intends for CLINs 0001 and 0002 to merely require a best effort attempt to negotiate subcontracts, as opposed to actually establishing subcontracts, the RFP must be amended to reflect that intention. *Id.* at 13.

Crowley also contests the Navy’s assertion that the VCM’s liability under the liquidated damages clause will be mitigated by clause H.3. Comments at 8-9, 16-18. According to the protester, this shows that the Navy misses the point. *Id.* at 16-18. As RFP clause H.3 refers to “the default of the subcontractor,” it necessarily only applies after a subcontract has been established and the subcontractor has defaulted in performing under that subcontract. *Id.* at 17. However, the protester objects to the risk created by the possibility of a directed source failing to negotiate a subcontract in good faith in the first place, not to that directed source possibly defaulting under an established subcontract. Thus, Crowley argues that clause H.3 does nothing to mitigate the unreasonable risk created by the terms of this solicitation.

Based on our review of the record, we deny this protest ground. We conclude that the Navy has supplied all offerors with sufficient detail regarding the nature of the VCM requirement and the directed sources, enabling them to compete intelligently and on an equal basis. As a result, we conclude that the solicitation as written does not impose an unreasonable risk on the offerors.

We understand Crowley's concern regarding the potential for a directed source shipyard to present difficulties in the negotiation phase and we recognize that the VCM may enter negotiations without certain leverage normally enjoyed in a typical commercial negotiation. We also agree with Crowley that under this solicitation, successful performance of the contemplated contract will require a future agreement with a third party--the VCM is required to establish subcontracts with Bollinger and FMM before any ship construction begins. However, such difficulties or uncertainties do not render the terms of the solicitation unreasonably risky. More salient, all offerors are presented with the same risks and will be expected to use their professional expertise and business judgement to account for the risks involved. The Navy is well within its rights to craft a solicitation placing maximum risk on the contractor, as it has done here. *See Supreme Foodservice GmbH, supra; Phoenix Envtl. Design, Inc., supra.*

In addition, we agree with the Navy that the solicitation contains mechanisms to mitigate some of the risk borne by the VCM. As discussed above, RFP clause C-1.6 allows the VCM to petition the PCO in the event that negotiations fail with a directed source. RFP at 27-28. While this clause does not guarantee relief to the VCM, it indicates that in the event negotiations fail with a directed source, the opportunity for relief from the government is not foreclosed. The clause establishes a standard that the VCM will use best efforts in negotiating with the directed sources and should those negotiations fail, the clause provides some relief for the VCM that is not an immediate finding that the VCM defaulted in its performance obligations.

The protester contends that clause C-1.6 does not provide any protection from risk because the ultimate requirement of the contract is that the VCM establish subcontracts with the directed sources. Crowley asserts that "[n]othing in the current RFP . . . supports [the Navy's] argument that Crowley would not be in default if a designated shipyard refuses to accept reasonable subcontract terms, even if Crowley used its 'best efforts' to reach agreement." Comments at 8. However, the plain language of the clause indicates that if the VCM uses its best efforts and still cannot reach an agreement with the directed sources then the agency would pursue a remedy, including an alternative subcontractor source.¹⁶ While the language of clause C-1.6 does not prevent the agency from pursuing a default termination against the VCM, it does provide the VCM with an avenue for relief in the event it cannot establish a subcontract with the directed sources.

¹⁶ Crowley further contends that clause C-1.6 does not protect the VCM where the shipyard "refuses reasonable terms and conditions and rejects a subcontract for even bad faith reasons." Supp. Comments at 3. We disagree with this interpretation; notwithstanding the fact that the argument assumes the shipyards will act in bad faith, the clause provides reasonable assurance that if a shipyard does reject reasonable terms and conditions in bad faith, the VCM would be protected from liability in such a case.

Furthermore, to the extent that Crowley fears risk based on performance issues caused by a directed source shipyard, based on RFP clause H.3 (Limitation of Liability, Shipyard Default), we find that such a challenge lacks merit. See RFP at 80. This clause specifically states that in the event the VCM is unable to deliver due to subcontractor default, the VCM will only be liable to the government for the amount the VCM is able to recover from the subcontractor.

Furthermore, contrary to Crowley's arguments, the VCM is not without any leverage in negotiations. For example, the solicitation allows for the procurement of up to eight vessels but only requires the VCM to purchase one from Bollinger and four from FMM. RFP at 3-6. Once the minimum number of ships are procured from the directed sources, the RFP allows the VCM to contract for up to three more ships in fiscal year 2026 and does not prescribe the necessary shipyard. *Id.* at 4, 9-10 (CLINs 0003, 0106-0108). Thus, we find that the VCM has at least some amount of leverage, as any shipyard, Bollinger and FMM included, could compete for the opportunity to build the three additional ships. The solicitation also leaves open the possibility of additional LSM construction opportunities flowing from the VCM should the Navy be granted additional funding and congressional authorization. *Id.* at 20 (explaining that the maximum number of eight LSMs is due to limitations in the fiscal year 2026 NDAA and that the government reserves the right to revise the quantity of LSMs that can be procured under the contemplated contract should future legislation permit it, funding be provided, and it is in the government's best interest to do so). The opportunity to construct additional LSMs funded by an additional appropriation could incentivize a shipyard to negotiate with the VCM in good faith.

Next, Crowley argues that the terms of the RFP introduce unreasonable risk because the RFP requires the VCM to procure ships using the Damen LST 100 design; however, according to Crowley, the LST 100 design is incomplete. Protest at 20-21; Comments at 19-21. Crowley asserts that since the LST 100 design is allegedly in flux, the design will likely change, which would create significant cost and schedule changes outside the control of the VCM. Protest at 21. The protester further alleges that the RFP requires the LST 100 design to obtain American Bureau of Shipping (ABS) classification and that, given the status of the LST 100 design as incomplete, the solicitation introduces unreasonable risk in the form of issues getting the ships classed.¹⁷ *Id.*; Comments at 19.

The Navy rejects Crowley's assertion that the LST 100 design is incomplete. COS/MOL at 35-39. The agency unambiguously states that the LST 100 design is a "complete, build-to-print design[.]" demonstrated by the preliminary contract design package (CDP)

¹⁷ ABS is a classification society that provides services to ensure ships are built to certain standards. RFP at 27; see <https://ww2.eagle.org/en/Products-and-Services/classification-services.html> (last visited June 22, 2026). The RFP requires the contractor to "receive ABS classification for each ship under the ABS Rules for Building and Classing Marine Vessels[.]" RFP at 27.

included as an attachment to the RFP. *Id.* at 35; see AR, Tab 1e, Attach. J-1, CDP (including detailed instructions for the construction of the Navy's LSM ships). The Navy recognizes that the CDP included in the RFP is not a finalized package and that the LST 100 design will likely require modifications and updates throughout the shipbuilding process, but asserts that this does not render the LST 100 design incomplete as alleged by Crowley. COS/MOL at 35-39.

In this regard, the Navy asserts that while the CDP included with the RFP does not contain "all of the data acquired from Damen in the TDP procurement[.]" it does contain "significant elements that the Navy determined define the ship sufficiently to enable proposal development."¹⁸ COS/MOL at 35-36 n.28; see AR, Tab 30, Decl. of Deputy Program Manager PMS 317B at 3 n.4. The Navy's deputy program manager explains that releasing the CDP in this form was a strategic decision based on the Navy's need to award the VCM contract in fiscal year 2026. AR, Tab 30, Decl. of Deputy Program Manager PMS 317B ¶ 8. In short, the updated design package was not completely ready when the RFP was released but was sufficient to allow offerors to develop proposals. *Id.* Notwithstanding the need for final updates, the deputy program manager asserts that the "as-purchased TDP . . . procured from Damen is a complete, build-to-print design[.]" *Id.*

The Navy also explains that while the LST 100 design will likely require updates to account for obsolete parts and material, comply with U.S. sourcing requirements, and configure the design to account for simultaneous construction across multiple shipyards, these updates do not negate the built-to-print nature of the design. COS/MOL at 37. The deputy program manager states that any design updates to account for obsolete parts and material, especially for a design like the LST 100 which has resulted in the construction of only a single ship from a foreign shipyard over five years ago, "are standard in shipbuilding, even for build-to-print designs because all ship designs require constant updates to account for changing technology and part availability over time." AR, Tab 30, Decl. of Deputy Program Manager PMS 317B ¶ 6. The deputy program manager further asserts that the physical differences in the multiple shipyards used for construction will require different production designs, and that the VCM solicitation accounts for this by requiring the VCM to work with Damen for configuration management of the design across all shipyards. *Id.* ¶ 9.

Furthermore, to the extent that the RFP does impose risk on the contractor due to design updates required for the LST 100 design, the Navy argues that the RFP contains risk shifting clauses that reasonably account for any risk. COS/MOL at 38. Specifically, the Navy points to the RFP's clause allowing the contractor to request an equitable adjustment to price or schedule for any engineering change proposed by the government or the contractor pursuant to other contract requirements, and the changes clause requiring the contracting officer to account for increases or decreases in the cost

¹⁸ The Navy procured a technical data package (TDP) from Damen on the LST 100 design under contract No. N00024-25-C-2414 on July 30, 2025. COS/MOL at 6.

of, or time required for, performance due to, for example, changes in drawings, designs, or specifications. *Id.* (citing clause C-233-H002, RFP at 51, and clause 52.243-1, Changes, Fixed Price, incorporated by reference at RFP at 88). The Navy also notes the excusable delays clause which “alleviates the VCM from responsibility for delays caused by the Navy.” *Id.* at 39 (citing clause 52.212-4(f), RFP at 91).

Finally, the Navy explains that it “has relieved the VCM of having the design classed by ABS.” *Id.* The agency points to the questions and answers (Q&As) included with the RFP as support. Relevant here, an offeror asked: “is the government confirming that ABS has not reviewed the Damen design and the VCM should allow, schedule and time and effort for this review[?]” AR, Tab 9, Questions and Answers (Q&As), at No. 147. The Navy responded:

[T]he Government is taking responsibility for having the design classed by ABS. Additionally, the Government has already taken responsibility for reviewing and updating the build-to-print design to remove obsolescence and ensure compliance with domestic sourcing requirements to the extent practicable at the time the Government provides the design to the VCM. However, the VCM is still responsible for having the ship itself classed to ABS per the SOW and for ensuring that the ship as built does not contain obsolete components and complies with all domestic sourcing requirements

Id. In other words, the Navy is responsible for the ship design and the VCM is responsible for executing ship construction in accordance with the provided design.¹⁹ According to the Navy, this is a reasonable allocation of risk requiring “nothing more than the VCM to use its professional expertise and business judgement[.]” COS/MOL at 39.

Notwithstanding the Navy’s response, Crowley argues that the LST 100 design is an incomplete design and imposes undue risk on offerors. Comments at 19. The protester cites the declaration of the Navy’s deputy program manager as support for this position, arguing that the confirmed likelihood of design updates due to obsolete parts and material and the fact that the CDP included with the RFP is not a finalized package demonstrates the merits of its protest. *Id.* at 19-20. Crowley also contests the Navy’s position that any risk allocated to the VCM due to the ABS classification requirement is reasonable. According to the protester, “there is no limitation of liability for design

¹⁹ The Navy draws a distinction between ABS classification for the design and ABS classification for the ships. See COS/MOL at 39. In this regard, the Navy explains that it is responsible for making sure the build-to-print design has no obsolescence and complies with domestic sourcing requirements while “the VCM is responsible for having the ship itself classed to ABS and ensuring that the ship as built does not contain obsolete components and complies with all domestic sourcing requirements.” *Id.*

deficiencies, configuration, or approval delays caused by a third party such as Damen[.]" rendering the RFP unreasonably risky. *Id.* at 21.

Based on our review of the record, we deny this protest ground. We conclude that the Navy has supplied all offerors with sufficient detail regarding the selected design of the LSM vessels, the Damen LST 100, enabling them to compete intelligently and on an equal basis.

As an initial matter, we are persuaded by the Navy's position that the LST 100 design is a complete build-to-print design. There is a documented instance of a vessel being constructed from the LST 100 design, the NNS Kada. This is evidence that the LST 100 is a complete design. Also, the Navy's deputy program manager has sufficiently explained how naval ships require constant updates and that here, based on part obsolescence, U.S. supply requirements, the physical differences in the shipyards where construction will occur, and advances in technology, the LST 100 design will require updates but those updates do not negate the complete, build-to-print status of the LST 100 design. See AR, Tab 30, Decl. of Deputy Program Manager PMS 317B ¶¶ 6-9. We find that Crowley has not presented us with a persuasive basis to question the Navy's representation that the LST 100 design is a complete design or to question the representations made by the Navy's deputy program manager.

Furthermore, we find that Crowley's argument regarding the completeness of the LST 100 design misses the mark. Whether or not the LST 100 design is complete or not complete is not the relevant question here. The relevant question is whether all offerors have been provided with sufficient information to allow them to compete intelligently and equally. *Supreme Foodservice GmbH, supra*. Here, the solicitation contains the CDP, which is a blueprint on the Damen LST 100 design containing extremely detailed information on how to construct the LSM ships. AR, Tab 1e, Attach. J-1, CDP; see also AR, Tab 9, Q&As at No. 43 ("The Attachment J-1 is a complete detail design that is considered build-to-print.").

Crowley's complaint does not challenge the sufficiency of the information in the CDP; rather, Crowley takes issue with the fact that design updates will occur throughout the performance period and that the data package included in the RFP is not the final design package. Comments at 19-20. However, we find this complaint without merit. Crowley does not demonstrate that the LST 100 design is incomplete to such an extent as to render it unusable or unreliable. Crowley simply points out normal occurrences in the shipbuilding process and paints them as evidence of a defective or incomplete design. See AR, Tab 30, Decl. of Deputy Program Manager PMS 317B ¶¶ 6-9 (explaining that updates to build-to-print designs are common occurrences). Such a complaint fails to demonstrate that offerors lack sufficient information to prepare their proposals.

Here, the Navy has provided offerors with a build-to-print design and included in the RFP a blueprint of the vessel design, the CDP. Furthermore, all offerors have the same information regarding the ABS classification requirement (which the Navy is responsible

for), and have opportunities for relief from any delays that may occur resulting from design changes by way of the risk-shifting clauses, discussed above. See RFP at 51, 88, 91 (equitable adjustments, changes, and excusable delays). We fail to see how this does not amount to sufficient information for Crowley to prepare its proposal. As discussed above, there is no requirement that a competition be based on specifications drafted in such detail as to eliminate all risk or remove every uncertainty from the mind of every prospective offeror. *Trademasters Serv., Inc., supra*. Here, the inclusion of the CDP in the RFP satisfies the agency's burden to supply offerors with sufficient information. This protest ground is denied.

Customary Commercial Practice

Crowley next challenges the terms of the solicitation as contrary to customary commercial practice. We have reviewed this challenge and conclude that it does not provide a basis to sustain the protest.

The Federal Acquisition Streamlining Act of 1994, 10 U.S.C. § 2377, established a preference and specific requirements for acquiring commercial items that meet the needs of an agency. Part 12 of the FAR implements this Act by allowing agencies to use solicitation terms--and to make other adjustments in the areas of acquisition planning, evaluation, and award--that more closely resemble the commercial marketplace when procuring commercial items. *U.S. Foodservice, Inc.; Labatt Food Services, LP*, B-404786 *et al.*, May 13, 2011, at 3-4; see *Aalco Forwarding, Inc., et al.*, B-277241.8, B-277241.9, Oct. 21, 1997, at 9-10.

Consistent with this approach, FAR section 12.302(c) bars the tailoring of solicitations for commercial items in a manner inconsistent with customary commercial practice unless a waiver is approved in accordance with agency procedures. The request for a waiver must describe the customary commercial practice found in the marketplace, support the need to include a term or condition that is inconsistent with that practice, and include a determination that the use of the customary commercial practice is inconsistent with the needs of the government. *Id.* Our Office reviews challenges to waivers under this provision for reasonableness. *SupplyCore, Inc.; Noble Supply & Logistics, LLC*, B-419971.3 *et al.*, June 15, 2023 at 6; *PWC Logistics Services Company*, B-400660, Jan. 6, 2009, at 6; see also, *Orlans PC*, B-420905, Oct. 25, 2022, at 8 n.7

Crowley argues that the RFP contains terms that are contrary to customary commercial practice, rendering the RFP unreasonable and in violation of FAR section 12.301. Protest at 24-26; Comments at 22-24. In this regard, Crowley argues the requirement for the VCM to negotiate LSM construction subcontracts with two directed source shipyards "without establishing core obligations on the part of the shipyards regarding contract terms they must accept or without shielding the VCM from liability for default or cause" is contrary to customary commercial practice. Protest at 26.

As part of its protest, Crowley submitted a declaration from one of its business development directors. Protest, exh. 4, Decl. of Director. The director states that in his experience, it is standard commercial practice for the buyer of a ship to select the builder of the ship, and if the shipyard wants to do business with the buyer, the shipyard will negotiate in good faith. *Id.* ¶ 7(c). The director declares that over the last 20 years, Crowley affiliates have “hired various U.S. shipyards to build over a dozen vessels” for Crowley’s own use in its commercial business. *Id.* The director declares that he has not experienced a commercial instance where a VCM acted as an intermediary on behalf of the ultimate shipowner, nor any instance where a VCM service also included acquisition of a ship. *Id.* ¶ 7(d). Further, the director declares that it would be “unheard of in the commercial world for an entity to negotiate and then manage a construction contract with a shipyard on behalf of an ultimate buyer.” *Id.* The director concludes by declaring that the terms of the RFP requiring the VCM to negotiate with named shipyards “eliminates all of the buyer’s ordinary leverage, including the ability to walk away, when negotiating the terms and conditions of a contract.” *Id.* ¶ 7(e). For these reasons, Crowley argues that the RFP, as written, is contrary to customary commercial practice and thus unreasonable.

The Navy argues that its solicitation is largely consistent with commercial practice and to the extent that it is not, a valid waiver has been executed in accordance with FAR section 12.302(c). COS/MOL at 42-49. Further, the Navy asserts that it is well within its rights as the procuring agency to place maximum risk on the contractor and minimum burdens on the agency, and that Crowley fails to demonstrate how any solicitation terms not subject to the waiver are contrary to customary commercial practice. *Id.* at 43-44.

The Navy concedes that the RFP includes two specific items that are contrary to customary commercial practice. However, as noted, the Navy asserts that it has executed a valid waiver to deviate from customary commercial practice with respect to: (1) the directed source subcontract terms; and (2) the liquidated damages clause.²⁰ COS/ MOL at 45.

As part of its agency report responding to the protest, the Navy submitted the waiver signed by the Assistant Secretary of the Navy for Research, Development, and Acquisition (ASN RD&A) approving the agency’s deviation from customary commercial practice.²¹ AR, Tab 27, Waiver. The waiver states that in the customary commercial

²⁰ Our decision omits a discussion of the aspect of the waiver dealing with the liquidated damages clause because the protester has not challenged this and it therefore is not relevant to the protest. Here we simply note that the waiver discusses the liquidated damages clause and explains that the Navy requires it to create a financial incentive for the contractor to meet delivery dates, mitigate costs to the government, provide cost predictability, and reinforce programmatic urgency. AR, Tab 27, Waiver at 3-4.

²¹ We note that the waiver is dated April 22, 2026, which is after March 27, the date Crowley filed its protest. AR, Tab 27, Waiver at 1. Crowley categorizes the waiver as prepared “in the heat of protest litigation[.]” Comments at 24. While Crowley may

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marketplace, a ship procurement conducted by a VCM would not typically: (1) direct specific subcontractors; and (2) contain a liquidated damages clause. *Id.* at 1.

The waiver explains that the directed source subcontract to FMM is necessary due to the cancelation of the Constellation-class frigate program and the Navy's corresponding need for a capable industrial base. *Id.* at 2. The waiver explains that the directed source subcontract to Bollinger is necessary due to Bollinger's unique experience and the Navy's determination that Bollinger is the best-suited shipyard to build the lead ship of the LSM class. *Id.* at 2-3. The waiver states that the direction to use Damen as the mandatory support agent because Damen--the originator, owner, and design agent for the LST 100 design--is best suited to analyze, update, and modify the design quickly. *Id.* at 3. The waiver also discusses the Navy's market research and concludes that using any support agent other than Damen would delay construction and result in unnecessary costs. *Id.*

The waiver concludes with a discussion on the Navy's determination that the use of customary commercial practices for these two specific items (directed subcontracts and a liquidated damages clause) would be inconsistent with the needs of the government. *Id.* at 4. In sum, the Navy argues that its solicitation largely complies with customary commercial practice, and to the extent it does not, a valid waiver has been executed.

Crowley recognizes the Navy's waiver; however, it argues that the waiver does not effectively address the commercially unreasonable aspects of the RFP. Comments at 24. In this regard, Crowley clarifies that its challenge is not directed at the RFP requirement to subcontract with directed sources, in a vacuum. Comments at 24. Rather, Crowley challenges the risk corresponding to the directed source subcontracts and the absence of any assurance from the Navy that the directed sources will accept necessary contractual terms, or assurance from the Navy that the VCM's liability will be limited should the VCM be unable to negotiate subcontracts, as required. *Id.* According to Crowley, the RFP's absence of any provision shielding the VCM from liability should the directed source shipyards refuse to negotiate in good faith with the VCM is contrary to customary commercial practice. *Id.* at 25.

Based on our review of the record, we deny this protest ground. Here, Crowley specifically attacks the RFP's directed source subcontracting requirement as contrary to customary commercial practice. The Navy concedes that directed source subcontracting is not a customary commercial practice but has issued a waiver to deviate from customary commercial practice with regard to the directed source subcontracting. Thus, our focus is not on the commercial nature of directed source subcontracting--the parties agree that it is not a commercial practice. Rather, our

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complain about the date on which the waiver was executed, it does not explain how a waiver executed after a protest has been filed is somehow unreasonable or unlawful.

review focuses on the reasonableness of the Navy's waiver. *See SupplyCore, Inc.; Noble Supply & Logistics, LLC, supra.*

On this record, we find that the Navy's waiver satisfies the regulatory requirements and reasonably supports the agency's decision to deviate from customary commercial practice with regard to the directed source subcontracting. To begin with, the Navy had a reasonable basis for its decision to deviate from customary commercial practice in order to direct a subcontract to FMM for the construction of four LSMs. The waiver sufficiently establishes the Navy's interest in maintaining FMM as a capable source in the industrial base and that the Navy would achieve this goal by directing work to FMM via the LMS program. *See AR, Tab 27, Waiver at 2.* Next, the Navy had a reasonable basis for its decision to deviate from customary commercial practice to direct a subcontract to Bollinger for the construction of one LSM. The waiver sufficiently explains the Navy's interest in directing work to Bollinger based on Bollinger's unique experience, which would serve the Navy's need to begin construction as quickly as possible to support critical Marine Corps requirements. *Id.* at 2-3.

While Crowley argues that the waiver is inadequate because it does not speak to the risk corresponding to the directed source subcontracts and the absence of certain assurances from the Navy, we find this argument inapplicable here. *See Comments at 24-25.* The issue Crowley complains about--the risk corresponding to directed source subcontracts--is derivative of the directed source subcontracting requirement and is essentially the same argument it raised in arguing that the terms of the RFP impose unreasonable and commercially unacceptable levels of risk on offerors. As discussed above, the Navy has issued a waiver to deviate from customary commercial practice to use directed source subcontracting and we have reviewed the Navy's waiver and found it reasonable and in accordance with relevant regulation. As also discussed above, we find that the RFP does not impose unreasonable levels of risk on offerors and deny that protest ground. Therefore, we find that Crowley's complaint about risk flowing from the directed source subcontracts is not a basis to conclude that the Navy either unreasonably deviated from customary commercial practice or issued a deficient waiver. Accordingly, this protest ground is denied.

Time Afforded for Proposal Development and Submission

Crowley next argues that the RFP failed to provide offerors with sufficient time to develop and submit proposals. *Protest at 34-35; Comments at 25-28.* The protester contends that due to the complexity of the requirement, the vessel delivery date of September 30, 2031, the alleged issues with the LST 100 CDP and a lack of information provided by the Navy as to the terms the directed source shipyards will accept, the RFP established an unreasonably short proposal submission deadline. *Protest at 35.*

Except for the acquisition of commercial products or commercial services, agencies are required to allow at least a 30-day response time for receipt of bids or proposals from the date of issuance of a solicitation, if, like here, the proposed contract action is expected to exceed the simplified acquisition threshold. FAR 5.203(c). For commercial

products or commercial services, the FAR simply requires “a solicitation response time that will afford potential offerors a reasonable opportunity to respond[,]” and that in determining this response time, the contracting officer *should* consider the circumstances of the acquisition such as complexity, commerciality, availability, and urgency. FAR 5.203(b).

There is no *per se* requirement that the closing date in a negotiated procurement be extended following a solicitation amendment. *Harmonia Holdings, LLC*, B-407186.2, B-407186.3, Mar. 5, 2013, at 7. The determination of what constitutes a sufficient amount of time for proposal preparation is a matter committed to the discretion of the contracting officer; we will not object to that determination unless it is shown to be unreasonable. *Financial Asset Mgmt. Sys., Inc.*, B-409722.9, Apr. 24, 2015, at 6. We limit our review of such determinations to the questions of whether the refusal to extend the closing date adversely impacted competition and whether there was a deliberate attempt to exclude an offeror. *Harmonia Holdings, LLC, supra*.

The Navy argues that the amount of time afforded for proposal development and submission “[was] adequate for this requirement.” COS/MOL at 53. The Navy notes that it provided 76 days in total and 17 days after the final amendment was issued. *Id.* at 54. The Navy also notes that offerors have been on notice of this requirement since an “industry day” was held on December 19, 2025, which informed potential offerors about, for example, the total budget for the procurement, the selected LSM design, the contracting strategy which could include directed sources, the expectations for the VCM, and the notional procurement timeline which, at the time, included receiving proposals in March 2026 and awarding the contract in June. *Id.* at 10-11, 54; AR, Tab 17, Industry Day Slides at 6-11. Also at industry day, offerors were provided with a draft statement of work (SOW) for markup and were invited to provide feedback to the Navy.²² COS/MOL at 11, 54. In short, the Navy argues that given the totality of the circumstances here, offerors were provided with adequate time and Crowley’s challenge amounts to disagreement with the Navy’s reasonable submission deadline. COS/MOL at 54-55.

The protester maintains its position that insufficient time was afforded to offerors and contends that the Navy’s discussion of the industry day is a red herring. According to the protester, based on the information shared at industry day, Crowley understood that it would be allowed to select its own shipyards and was not made aware of the directed source shipyard requirements. Comments at 27. Crowley advances a similar attack on the Navy’s discussion of the draft SOW. In this regard, the protester argues that the draft SOW “was fundamentally different from the RFP released in February 2026 because it did not include any directed source shipyard requirement.” *Id.* at 26. In other words, the protester argues that providing the draft SOW did not provide advanced notice of the relevant issues such as the directed source shipyards and therefore the

²² Crowley did not provide feedback. COS/MOL at 54 n.41.

Navy cannot rely on the draft SOW to establish that it provided a reasonable response time.

The protester also argues that providing 17 days to submit proposals after issuing the solicitation amendments was unreasonable because the amendments “addressed foundational aspects of [the Navy’s] requirement and evaluation scheme, which materially impacted offerors’ proposal strategies.” *Id.* at 27. For example, the protester notes that RFP amendment 0010, issued on April 17, clarified the Navy’s method of evaluating offerors’ proposed number of ships and that this amendment proved critical in proposal strategy. *Id.*; see AR, Tab 2j, RFP Amend. 0010 at 1, 18.²³ Crowley asserts that having just 17 days to account for the Navy’s method of evaluating the total number of proposed ships was unreasonable because “the RFP required the offerors to determine the number of ships and pricing, and offerors had to solicit and rely on input from the directed sources to develop both.” Comments at 27. At bottom, Crowley contends that due to the complexity and significance of the amendments, more time to develop proposals was required and the Navy failed to provide a reasonable amount of time to prepare and submit proposals, rendering the RFP unreasonable and in violation of FAR section 5.203(b). *Id.*

Based on our review of the record, we deny the protest ground. We recognize that the technical requirements of this procurement are complex. We also recognize that the structure of the solicitation is somewhat unusual. However, on this record, we find that offerors were reasonably made aware of the Navy’s requirements and we have no basis to conclude that the time afforded to prepare and submit proposals was improper. As explained by the agency, offerors had a total of 76 days from the date the agency first issued the solicitation to prepare and submit proposals, 17 of which came after the issuance of the final solicitation amendment. As previously noted, the FAR provides a notice requirement of 30-days under section 5.203(c); thus, we cannot say that the 76 days provided by the Navy is improper.

Also relevant, potential offerors were put on notice of this requirement as early as December 19, 2025, at the Navy’s industry day. COS/MOL at 10. Here, potential offerors were given a draft SOW and were made aware of the pertinent details of the LSM requirement such as the total budget, the Navy’s choice to use the Damen LST 100 design, the fact that the procurement could include directed sources, the duties and responsibilities expected from the VCM, and the anticipated procurement timeline. AR, Tab 17, Industry Day Slides at 6-11. Crowley’s point that the VCM procurement has undergone changes since the industry day is well-taken; however, based on the information shared at the industry day, offerors had sufficient information to begin preparation of their proposed approaches. We also find that a reasonably prudent

²³ The relevant aspect of the evaluation criteria states that the Navy will consider the proposed total number of ships within the stated budget of \$2.2 billion to assess the offeror’s understanding of the requirement and the offeror’s ability to provide up to eight total ships. AR, Tab 2j, RFP Amend. 0010 at 18.

offeror would have begun planning as soon as possible based on the procurement timeline shared at the industry day. *See id.* at 11 (projecting March 2026 as the deadline for proposal submission and June 2026 as the contract award date).

Finally, we emphasize that there is no *per se* requirement that the closing date in a negotiated procurement be extended following a solicitation amendment, and that the determination of what constitutes a sufficient amount of time for proposal preparation is a matter committed to the discretion of the contracting officer. *Harmonia Holdings, LLC, supra*. Here, the record does not support a conclusion that the agency's decision to provide 17 days following the issuance of the final solicitation amendment somehow adversely impacted competition or served to exclude a particular offeror. While Crowley's objection to RFP amendment 0010 is noted, developing pricing and strategy to ultimately deliver up to eight LSM ships was always part of the Navy's requirement. *See AR, Tab 2, Original RFP at 3-4* (CLINs for the directed work to Bollinger, FMM, and for the solicitation, negotiation, and award of up to three additional LSMs). While RFP amendment 0010 clarified that a proposal including a higher number of proposed ships that also provided a "realistic and complete solution [would be] evaluated more favorably[.]" we do not think this was entirely new information such that an offeror would need more than 17 days to account for it. *See AR, Tab 2j, RFP Amend. 0010 at 18*. Furthermore, Crowley fails to explain what it would consider to be a reasonable amount of time for proposal preparation and submission. Accordingly, we find that Crowley's challenge amounts to disagreement with the Navy's chosen closing date, which is not a basis to sustain the protest.

The protest is denied.

Edda Emmanuelli Perez
General Counsel