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Decision

Matter of: Sea Box, Inc.

File: B-424332

Date: June 15, 2026

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DIGEST

Protest is denied where the agency's decision to issue two contract line item numbers on an unrestricted basis was reasonable, as the agency's market research was sufficient to conclude that the agency would likely not receive proposals from at least two responsible small business concerns that could meet the solicitation's requirements at a fair market price for those contract line item numbers.

DECISION

Sea Box, Inc., a small business of Cinnaminson, New Jersey, protests the terms of request for proposals (RFP) No. SPE8ED-26-R-0002, issued by the Defense Logistics Agency (DLA) for various types of shipping containers. Sea Box primarily challenges the agency's market research and set-aside determination, including that the agency's market research is outdated and the agency's market research methodology and decision to issue certain contract line item numbers (CLINs) as unrestricted are unreasonable.

We deny the protest.

BACKGROUND

The RFP, issued on January 29, 2026, solicited proposals for 38 different types of shipping containers, each listed under a separate CLIN. Agency Report (AR), Tab 1,

RFP at 1, 63-71.¹ Specifically, the RFP sought proposals for five major types of containers, denoted by length: 40-foot containers, 20-foot containers, bicon containers, tricon containers, and quadcon containers.² See *id.* at 63-71; Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 2. Within those five types of shipping containers, the RFP solicited various configurations of each container type with specific features, such as the number and placement of doors or the type of paint or coating on the container. RFP at 63-71. The agency describes this procurement as an "acquisition for a new, enterprise-wide, indefinite-delivery, indefinite-quantity [(IDIQ)] contracting program for commercial cargo containers," which will "enable a reduction of lead times and efficient procurement" and consolidate various CLINs on one vehicle. Agency's Post-Hearing Comments at 3; see *also* AR, Tab 12, DD Form 2579, Small Business Coordination Record at 2. The agency further describes it as a "long-term contract acquisition" with a "maximum value [of] \$304 million." Tr. at 9.

The RFP contemplated the award of multiple 5-year, fixed-price, IDIQ contracts, under which delivery or task orders for each individual CLIN would be issued. RFP at 5, 7. The solicitation provided that award would be made on a CLIN-by-CLIN basis, with up to seven awardees for each CLIN. *Id.* at 7. The RFP explained that the agency would select the first awardee for each CLIN "based on the single lowest evaluated price submitted among all responsive, responsible, and technically acceptable offerors." *Id.* The agency would then make award to the offeror with the next lowest-priced, technically acceptable proposal, with this process continuing for up to seven awards per CLIN. *Id.*

Prior to issuing the solicitation, the agency conducted market research and acquisition planning. On June 5, 2024, the agency issued a sources sought notice posted to the

¹ The agency amended the RFP six times; all citations are to the Adobe PDF page numbers of the documents provided by the agency and the protester. Of note, the agency explains that the RFP was issued prior to the February 1 implementation of the applicable Department of Defense class deviation. Hearing Transcript (Tr.) at 120; see *also* Electronic Protest Docketing System (Dkt.) No. 36. In this regard, given the timing, the agency also asserts that the contracting officer (CO) "has discretion and has not amended [the RFP] to include the [Revolutionary FAR Overhaul (RFO)] in the solicitation." Tr. at 121; see *also* Agency's Post-Hearing Comments at 2 n.2 (asserting that FAR 1.108(d) and RFO 1.107(d) "afford to the Contracting Officer discretion as to whether to implement FAR changes in solicitations issued before the effective date of the change"). In any event, it does not appear that any distinctions between the prior and the RFO versions of the FAR would affect the analysis of the agency's actions in this procurement.

² During the course of this protest, our Office convened a hearing to better understand the positions of the parties. At the hearing, the CO explained that bicon containers are half the length of a 20-foot container, tricons are one-third of the length of a 20-foot container, and quadcons are one-fourth of the length of a 20-foot container. Tr. at 11.

System for Award Management (SAM.gov); it updated that notice on June 17 and included an attached request for information (RFI).³ COS/MOL at 3; *see generally* AR, Tab 10, RFI. The RFI sought information on industry capabilities, production capacities, pricing, and ability to comply with small business and foreign acquisition regulations. *See* AR, Tab 10, RFI. DLA received responses from fifteen firms, fourteen of which were small business concerns. AR, Tab 9, Market Research Memo at 3; Tr. at 23. The CO then reviewed the responses to that RFI and followed up with firms via email and phone over the next few months to request additional information, as necessary. COS/MOL at 3; Tr. at 15, 21-22.

In conducting this market research and determining which of the 38 CLINs to set aside for small businesses, the CO considered whether there was a reasonable expectation that offers would be obtained from at least two responsible small business concerns and that award would be made at a fair market price⁴ for CLINs valued above the simplified acquisition threshold, in accordance with the “Rule of Two” under section 19.502-2(b) of the FAR.⁵ AR, Tab 9, Market Research Memo at 3. For the 32 CLINs valued above the simplified acquisition threshold, the CO also considered whether potential offerors would be able to comply with the nonmanufacturer rule⁶ and certain limitations on subcontracting, in accordance with FAR section 19.505. COS/MOL at 3. Based on the market research, the CO concluded that only three of the fifteen offerors were small businesses that would be able to comply with the nonmanufacturer rule and subcontracting limitations for CLINs valued above the simplified acquisition threshold. *Id.* at 3; AR, Tab 9, Market Research Memo at 4-5. As a result, for the 32 CLINs valued above the simplified acquisition threshold, the CO considered these three small businesses--Sea Box, [Company A], and [Company B]--in conducting a Rule of Two analysis. AR, Tab 9, Market Research Memo at 4-5.

³ SAM.gov is the current governmentwide point of entry which serves as the single point where government business opportunities greater than \$25,000, including synopses of proposed contract actions, solicitations, and associated information, can be accessed electronically by the public. Federal Acquisition Regulation (FAR) 2.101.

⁴ Although the CO found, through his market research, that “[p]rices were higher than prices historically deemed fair market prices,” the CO “believed offered prices on an actual solicitation may be brought within a reasonable range.” COS/MOL at 4 n.1; *see also* AR, Tab 8, CLIN by CLIN Set Aside Evaluation. The protester does not challenge the fair market price aspect of the agency’s Rule of Two analysis. Comments at 2 n.2.

⁵ Some of the CLINs had an expected value below the simplified acquisition threshold, and those CLINs are not at issue here. *See* AR, Tab 9, Market Research Memo at 3. As a result, we will not discuss further the FAR requirements for acquisitions valued below this threshold.

⁶ The nonmanufacturer rule imposes eligibility conditions under certain small business set-asides when a firm proposes to furnish an end item that it did not manufacture, process, or produce. *See* 13 C.F.R. § 121.406; FAR 19.505(c).

The CO considered each CLIN in turn to determine whether the Rule of Two was met; namely, whether the three firms (Sea Box, [Company A], and [Company B]) could meet the capacity requirement of each CLIN at a fair market price. See AR, Tab 9, Market Research Memo at 6-12; see *generally* AR, Tab 8, CLIN by CLIN Set Aside Evaluation. The CO first categorized the CLINs by container type denoted by length and then further categorized the CLINs within each container type, listing each CLIN within each type from lowest to highest estimated container demand volume per year. COS/MOL at 4; AR, Tab 9, Market Research Memo at 6-7; see *generally* AR, Tab 8, CLIN by CLIN Set Aside Evaluation. Based on the responses to the RFI, the CO also calculated the expected annual production capacity for each of the three above-mentioned small business concerns. AR, Tab 9, Market Research Memo at 6-7.⁷

The CO then compared the production capacity numbers for the three firms to the agency's estimated production demand for each type of container. COS/MOL at 4. The CO addressed the container type groupings in the following order: (1) bicons, (2) quadcons, (3) tricons, (4) 20-foot containers, and (5) 40-foot containers. See AR, Tab 8, CLIN by CLIN Set Aside Evaluation. The CO then subtracted the agency's estimated annual quantity for each CLIN from the total annual production capacity for each of the three small businesses. COS/MOL at 4.

For example, the CO began with the CLIN for the bicon container configuration with the lowest estimated annual quantity: 8 units. AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 1. The CO subtracted 8 units from the total annual production capacity for Sea Box, [Company A], and [Company B]. *Id.* at 1, 3. The agency continued to use this subtractive method for each CLIN, such that the remaining annual production capacity for both [Company A] and [Company B] was exhausted by the time the CO reached CLIN 35. *Id.* at 52. As relevant here, CLIN 35 is a 20-foot ammunition-grade container with one full side opening, no end doors, and dimensions of 20' x 8' x 8'6". RFP at 247-248. CLIN 36 is a 20-foot container with locking double doors on one end and dimensions of 20' x 8' x 8'6". *Id.* at 255.

⁷ The CO determined that Sea Box, [Company A], and [Company B] had interchangeable production capacity, to differing extents. Because Sea Box stated that it had [DELETED] different manufacturing jigs--[DELETED]--the CO determined that the protester had "interchangeable production capacity among bicon, tricon, and quadcon containers" and calculated a total annual expected capacity of [DELETED] containers "under a set-aside subject to the nonmanufacturer rule." AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 1. Sea Box had a projected annual production capacity of [DELETED] for its 20-foot containers. *Id.* at 31. Because [Company A] and [Company B] had interchangeable production capacity for all length-types of containers--except for 40-foot containers--the CO calculated an expected annual production capacity of [DELETED] containers for [Company A] and [DELETED] containers for [Company B]. *Id.* at 1.

Because only one small business concern--Sea Box--had "sufficient domestic manufacturing capacity" to produce enough containers to meet the agency's annual estimated demand for CLIN 35, the CO concluded that "the rule of two is not satisfied with respect to this CLIN[] because there is no reasonable expectation of receiving proposals from two responsible small business concerns capable of satisfying this requirement within the time required." AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 52. The CO reached the same conclusion for CLIN 36, as neither [Company A] nor [Company B] had any remaining production capacity under the CO's cumulative subtraction methodology. *Id.* at 53. As a result, CLINs 1-34 were set aside for small businesses, but, as relevant here, CLINs 35 and 36 were to be awarded on an unrestricted basis.⁸ COS/MOL at 4-5.

The CO then coordinated his conclusions with both the agency's small business specialist and the Small Business Administration (SBA). *Id.* at 5. Specifically, the CO submitted the market research memorandum and the CLIN-by-CLIN analysis document to the SBA, and the SBA provided concurrence and signature on March 28, 2025. AR, Tab 12, DD Form 2579, Small Business Coordination Record at 2; Tr. at 50.

The agency then proceeded with issuing the RFP, as noted above, on January 29, 2026. On March 16, prior to the closing time for receipt of proposals, Sea Box filed this protest with our Office. On May 14, our Office held a hearing, taking testimony from the contracting officer.

DISCUSSION

The protester challenges various aspects of the agency's decision not to set aside CLINs 35 and 36 for small businesses, arguing that these CLINs make up the bulk of the procurement's value. First, Sea Box argues that the agency's market research is outdated. Second, the protester contends that the agency's market research methodology, which led to the agency's decision to issue CLINs 35 and 36 as unrestricted, is unreasonable. Third, Sea Box argues that the agency's market research is unreasonable with respect to CLIN 35 because it did not consider the exact dimensions of the CLIN 35 container delineated in the solicitation. After reviewing the record, we find no basis to sustain the protest.⁹

⁸ We note that CLIN 37 was issued as unrestricted and CLIN 38 was set aside for small businesses. By way of background, of the three small business concerns discussed in this decision, only [Company B] could manufacture any of the 40-foot containers. AR, Tab 9, Market Research Memo at 7-8. As a result, CLIN 37, which solicited 40-foot shipping containers, was issued as unrestricted. RFP at 71. The protester did not challenge this CLIN, and we do not discuss it further. Finally, CLIN 38 had an expected value below the simplified acquisition threshold and was set aside for small businesses, and this CLIN is also not at issue here. *Id.*

⁹ Finally, the protester argues that certain terms in the solicitation are contradictory and ambiguous. Protest at 19. On March 17, prior to the agency report due date, the
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Currency of Market Research

The protester argues that the agency's market research is outdated--based on the length of time between the issuance of the RFI and the issuance of the solicitation--and therefore inaccurate and incomplete. Comments at 3; see Protest at 14-16.

Specifically, given that the RFP was issued in January 2026, Sea Box asserts that the agency's "reliance on responses from a June 2024 RFI cannot reasonably, and demonstrably do not, reflect the current small business capabilities and/or manufacturing or production capacities of those offerors two years after those responses." Comments at 4. The protester refers to FAR part 10, which states that a contracting officer "may use market research conducted within 18 months before the award of any task or delivery order if the information is still current, accurate, and relevant." FAR 10.002(b)(1).

The protester acknowledges that our Office "has not adopted a rigid 'bright-line' expiration date for market research," but argues that the June 2024 RFI does not accurately assess small business concerns' capabilities because the CO's own follow-up communications with the small business concerns shows that their capacity was going to increase in the near term. Comments at 4. For example, Sea Box refers to communications between the CO and [Company B], where [Company B] stated it "plans to increase production capacity" in an August 2024 email and later informed the CO in a December 2024 email that the firm was "still on track to begin manufacturing a [DELETED] Shipping Container in early 2025" and was "targeting [DELETED] in early 2025" and "[DELETED] production" shortly after. Comments at 5 (citing AR, Tab 11, RFI Responses at 26, 37). The protester also refers to an August 2024 email in which [Company A] stated that it planned to "double our production capacity over the next 12 months." AR, Tab 11, RFI Responses at 199. In sum, Sea Box argues that the "stale nature of the Agency's market research is underscored by the Contracting Officer's [knowledge of] changes in vendor capacity" and suggests that if the agency had incorporated these capacity changes into its market research memorandum, more CLINs might have been set aside for small businesses. Protester's Post-Hearing Comments at 7-8.

The agency responds that its market research was reasonable, thorough, and up to date. COS/MOL at 9; Agency's Post-Hearing Comments at 8. Specifically, the agency

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agency filed a notice of partial corrective action, stating that it had issued a sixth amendment to the solicitation, "effective March 17, 2026, to clarify" the protested terms, and requesting that we dismiss this portion of the portion of the protest as academic. Notice of Partial Corrective Action at 1; see Notice of Partial Corrective Action, Exh. 1, RFP amend. 0006 at 2. On March 20, the protester stated that it has no objection to the agency's partial corrective action and request for dismissal. Dkt. No. 12. Accordingly, we dismiss this protest ground.

points to the fact that the CO's communications with firms "extended well into August[] 2024, and in some cases, into December 2024 and January 2025, before the set aside determination was made" and concurrence from the SBA was obtained in March of 2025. Agency's Post-Hearing Comments at 8; see AR, Tab 12, DD Form 2579, Small Business Coordination Record at 2. The agency also asserts that the CO properly prepared necessary acquisition documents and obtained certain reviews and approvals between March 2025 and the issuance of the solicitation in January 2026. Agency's Post-Hearing Comments at 8. DLA contends that issuing another sources sought notice during this period "would have essentially meant restarting the acquisition, preventing the Agency from ever getting to a solicitation and award to obtain the needed items." *Id.* In sum, the agency asserts that its market research process was reasonable, both in scope and timeline.

With respect to its email correspondence following up with businesses that responded to the RFI regarding potentially increased production capacity, the agency asserts that it reasonably relied on firms' actual existing production capacity, rather than future, potentially expanded production capacity. *Id.* at 8-9. DLA argues that while the firms with which it communicated "did inform the contracting officer that they had plans to increase production, they indisputably did not have the capacity at the time, and there is no evidence in the record that the anticipated increases ever materialized." *Id.* at 8. The agency also asserts that, despite the CO staying in contact with industry representatives, "none of them ever mentioned to him that they had expanded their capacity." *Id.* at 9.

Under the "Rule of Two" established by section 19.502-2(b) of the FAR, agencies are required to set aside for small business participation a procurement valued over the simplified acquisition threshold when there is a reasonable expectation that offers will be received from at least two responsible small business concerns and that award will be made at a fair market price. FAR 19.502-2(b).

In making a set-aside decision, agencies need not make either actual determinations of responsibility or decisions tantamount to determinations of responsibility; rather, they need only make an informed business judgment whether there is a reasonable expectation of receiving acceptably priced offers from small business concerns that are capable of performing the contract. *Mountain West Helicopters, LLC; Trans Aero, Ltd.*, B-408150, B-408150.2, July 1, 2013, at 3; see *CRAssociates, Inc.*, B-419346, Jan. 21, 2021, at 4. Because a decision whether to set aside a procurement is a matter of business judgment within the contracting officer's discretion, our review is generally limited to ascertaining whether that official abused his or her discretion. *Plateau Software, Inc.*, B-416386, Aug. 24, 2018, at 7; see *American Artisan Prods., Inc.*, B-292380, July 30, 2003, at 5 ("Generally, we regard such a determination to be a matter of business judgment within the contracting officer's discretion, which we will not disturb unless unreasonable.").

On this record, we do not find that the agency's market research was unreasonable or outdated. FAR section 10.002 states that the "extent of market research will vary,

depending on such factors as urgency, estimated dollar value, complexity and past experience” and adds that the “contracting officer may use market research conducted within 18 months before the award of any task or delivery order if the information is still current, accurate, and relevant.” FAR 10.002(b)(1). We do not view the plain language of the FAR as establishing an 18-month expiration date on the agency’s market research in this instance, particularly given the permissive “may” language. *Id.* We also note the protester’s concession that our Office “has not adopted a rigid ‘bright-line’ expiration date for market research.” Comments at 4. In sum, this FAR provision supports the agency’s position by stating that the extent of market research will vary between procurements based on numerous factors, which is consistent with the agency’s exercise of discretion in conducting market research. See FAR 10.002(b)(1).

We note the CO’s hearing testimony that the market research and acquisition planning process for a “more complex acquisition” like this “can take a couple of years.” Tr. at 14, 53. The agency described this procurement as an “acquisition for a new, enterprise-wide, indefinite-delivery, indefinite-quantity [(IDIQ)] contracting program for commercial cargo containers” with a maximum value of \$304 million. Agency’s Post-Hearing Comments at 3; Tr. at 9. In other words, this is a large and complex acquisition. Relatedly, the agency noted that it has “previously awarded the individual CLINs to be solicited as part of this [long term contract (LTC)], but has not previously issued an LTC for a consolidated group of these items.” AR, Tab 12, DD Form 2579, Small Business Coordination Record at 2.

Further, the record shows that the agency was still conducting market research and communicating with potential offerors regarding production capacity into August and December 2024. See AR, Tab 11, RFI Responses at 37, 198. In other words, the agency’s market research began in June 2024 with the issuance of the RFI and sources sought notice; it did not end there. Notably, the agency’s subsequent actions also included properly seeking concurrence and signature from the SBA in March 2025 before issuing the RFP. See AR, Tab 12, DD Form 2579, Small Business Coordination Record. On this record, with these facts, we do not agree with the protester that the amount of time between the issuance of the RFI in June 2024 and the issuance of the solicitation in January 2026 automatically makes the agency’s market research outdated and incomplete. See Protest at 14-16; Comments at 4.

In making the argument that the agency’s market research is outdated and incomplete, the protester cites several cases that we view to be distinguishable from the facts here. As an example, in *Knudsen Systems, Inc.*, B-422433.2, Aug. 9, 2024, we sustained the protest, finding that the agency’s market research was insufficient and based on inaccurate information where the agency incorrectly assumed that the nonmanufacturer rule was waived for the equipment it solicited. *Knudsen Sys.*, *supra* at 5-6. In other words, the agency’s market research in *Knudsen* was based on a factual inaccuracy that pervaded that research. In contrast, for the protest at issue here, the protester has not identified, nor does the record show, any such pervasive, erroneous assumption by the agency.

Finally, we cannot conclude that the CO's communications with [Company A] and [Company B] regarding potential expanded production capacity renders the agency's market research outdated or incomplete. An intention or plan to expand production capacity in the future is not the same as existing production capacity, and the record shows that neither business confirmed that their expanded production capacity had been realized by the date that the agency issued the RFP. See, e.g., AR, Tab 11, RFI Responses at 26, 37, 198. The CO specifically testified during the hearing that neither [Company A] nor [Company B] ever conveyed to him that they had actually expanded their production capacity. Tr. at 103. In other words, we agree with the agency that it reasonably relied on the businesses' actual existing production capacity, rather than a future, potentially expanded production capacity. Agency's Post-Hearing Comments at 8-9. Further, the protester has not provided evidence to show that either of the above-mentioned businesses actually expanded their production capacity. See Protester's Post-Hearing Comments at 7-8. In sum, the protester has not demonstrated that the agency's market research was outdated or unreasonable, and this protest ground is denied.

Set-Aside Methodology

Next, the protester argues that the agency's methodology in making its set-aside determination, and its decision to issue CLINs 35 and 36 as unrestricted, was unreasonable. Protest at 9-11; Comments at 8-12. As noted above, for the three small businesses that could satisfy the nonmanufacturer rule and limitations on subcontracting for CLINs valued above the simplified acquisition threshold, the CO subtracted the estimated amount of each CLIN--after organizing the CLINs by container type by length, and beginning with the smallest CLINs and ending with the CLINs with the highest estimated amount of containers--from each small business's total annual estimated production capacity, resulting in a cumulative subtraction method that decreased the firms' total production capacity with each CLIN the CO analyzed. See *generally* AR, Tab 8, CLIN by CLIN Set Aside Evaluation.

Sea Box characterizes this as a "sequential capacity-deduction approach" and argues that the agency's methodology conflicts with the solicitation's provision that award would be made on a CLIN-by-CLIN basis, with the potential for multiple awardees per CLIN. Comments at 10. Specifically, the protester argues that the CO "treated the estimated annual quantity for each CLIN as if it were a non-divisible obligation that must be fully satisfied by a single small business, despite the express intent of the RFP to split each CLIN among all awardees." *Id.* at 11. Because the solicitation "did not require any one offeror to satisfy the full estimated annual quantity for any single CLIN," Sea Box contends that the agency's set-aside determination methodology was unreasonable and "untethered from the Solicitation's terms." Protester's Post-Hearing Comments at 1, 3. The protester asserts that the agency should have instead conducted a Rule of Two analysis for each CLIN individually, measuring each small business's total production capacity against each CLIN without consecutively subtracting the estimated demand for each CLIN from that total production capacity. *Id.* at 6; Comments at 10. The protester complains that the result of the agency's methodology was leaving CLINs 35 and 36

unrestricted, even though those CLINs together comprised “approximately 70 percent of the \$304 million award value.” Protester’s Post-Hearing Comments at 6. In the protester’s view, had the agency followed Sea Box’s preferred methodology, the agency could have decided to set aside CLINs 35 and 36 for small businesses.

The agency responds that its decision to issue CLINs 35 and 36 on an unrestricted basis was reasonable. COS/MOL at 7-9. DLA acknowledges that there were other ways the CO could have conducted its CLIN-by-CLIN analysis but asserts that the methodology it used was within the agency’s business judgment and maximized opportunities for small business concerns by setting aside as many of the CLINs as possible. *Id.* at 9-10. Indeed, the agency argues that its CLIN-by-CLIN analysis was meant “to maximize the *number* of CLINs to be set aside, sorting from least to greatest potential demand, . . . to give small business concerns with the lowest capacities their maximum opportunity to compete.” Agency’s Post-Hearing Comments at 10 (emphasis added). The agency points out that the SBA concurred with the CO’s approach. See AR, Tab 12, DD Form 2579, Small Business Coordination Record at 1-2.

Further, the agency explains that the protester’s preferred methodology is not reasonable, nor was the agency required to implement it. In making this argument, the agency asserts that conducting a Rule by Two analysis of each CLIN in a vacuum would have “essentially multiplied potential offerors’ production capacities beyond their represented capabilities, jeopardizing their ability to timely perform awards” by ignoring the possibility that a single firm could receive simultaneous orders under multiple CLINs. Agency’s Post-Hearing Comments at 7, 10. Further, DLA contends that the protester’s proposed method “is both arbitrary and irrational, as . . . the number of awardees was not (and is not) currently known.” *Id.* at 11. Finally, with regard to CLIN 36 as an example, the agency points out that under Sea Box’s proposed method of analyzing each CLIN in a vacuum, only Sea Box--not [Company A] or [Company B]--had the total production capacity to meet the estimated annual demand quantity for that CLIN, so “even that method would not have resulted in CLIN 36 being set aside.” *Id.* at 9.

A contracting agency’s investigation to determine the availability of responsible small business concerns for set-aside purposes must address not only the existence of small businesses that might submit proposals, but also their capability to perform the contract. *Plateau Software, supra* at 5. The fact that multiple small businesses are identified in the course of market research is not necessarily determinative. *Id.*; see *Tom Smith Fire Equip. Co., Inc.*, B-414349, May 14, 2017, at 4. The use of any particular method of assessing the availability of small businesses is not required so long as the agency undertakes reasonable efforts to locate responsible small business competitors. *Mountain West Helicopters, supra* at 3. Moreover, as noted above, because a decision whether to set aside a procurement is a matter of business judgment within the contracting officer’s discretion, our review is generally limited to ascertaining whether that official abused his or her discretion. *Plateau Software, supra* at 7; see *American Artisan Prods., supra* at 5.

On this record, we cannot conclude that the agency's decision to issue CLINs 35 and 36 on an unrestricted basis is unreasonable. The solicitation provided for award of multiple IDIQ contracts and "on a CLIN by CLIN basis[,]" with "up to seven awardees for each CLIN." RFP at 7. We note the agency's argument that, in making a set-aside determination, it chose to utilize a subtractive approach and consider the CLINs cumulatively, rather than in a vacuum, because of the uncertainty around the number of actual awardees and the possibility that a single small business would have to fulfill delivery orders for multiple CLINs at once. Agency's Post-Hearing Comments at 7. The CO testified that he did not know how many awardees there would be and that he could not assume that each awardee on a particular CLIN would receive an equal portion of the annual estimated demand quantity, given the impossibility of predicting the number of awardees and the fact that demand quantities were estimates, not guarantees. Tr. at 40-41.

Given these facts, we do not find that the CO's exercise of his business judgment in issuing CLINs 35 and 36 as unrestricted was unreasonable. See *American Artisan Prods.*, *supra*. As an example, we consider CLIN 36. The estimated annual demand under that CLIN is 2,521 20-foot shipping containers. RFP at 71. The record shows that only Sea Box had the individual production capacity to meet the estimated demand for CLIN 36 with an expected annual production capacity of [DELETED] containers, given that [Company A] had an expected annual production capacity of [DELETED] containers and [Company B] had an expected annual production capacity of [DELETED] containers. Tr. at 49; AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 1. As a result, even if the agency had considered each CLIN in a vacuum, CLIN 36 would not have been set aside under the protester's preferred Rule of Two analysis. See also Agency's Post-Hearing Comments at 9. The agency could not simply consider the existence of the three above-mentioned small businesses; it also had to consider their capability to perform the contract. See *Plateau Software*, *supra* at 5. Although the solicitation provided for the possibility of multiple awards, we agree that the CO could not assume that all three firms would successfully receive an award under CLIN 36 and thus split the demand three ways. See Tr. at 41. If the CO made that assumption and only [Company A] or only [Company B] received an award, under these facts, the awardee would not be able to fulfill the delivery order. See *id.*

In the broader context of the entire RFP, we find logical the agency's argument that it reasonably chose a subtractive, cumulative approach in making its set-aside determination because of the "limited capacity" of the domestic small business manufacturing base for containers and the possibility that a firm could receive award for multiple CLINs and "simultaneous orders to perform them all at once." Agency's Post-Hearing Comments at 7, 10. Further, sustaining the protester's argument and requiring that each CLIN be viewed "as a universe unto itself" for the purposes of a set-aside determination would mean requiring that the agency use the particular method that the protester desires for assessing the availability of small businesses, despite precedent holding that no particular method of assessing the availability of small businesses is required for an agency. *Id.* at 10; see *Mountain West Helicopters*, *supra* at 3. Given the discretion afforded to the CO in making a set-aside determination, we

find that, on this record, the protester has failed to show that the agency's Rule of Two analysis was unreasonable. See *American Artisan Prods.*, *supra*. This protest ground is denied.

CLIN 35 Dimensions

Finally, the protester argues that the agency's decision not to set aside CLIN 35 for small businesses is unreasonable because it did not take into account all of the specific requirements for the shipping container sought in this CLIN. In this regard, the protester asserts that the agency failed to request information in the June 2024 RFI for the specific type of container solicited under CLIN 35 and, as a result, Sea Box argues that the agency's market research does not accurately reflect the capabilities of small business offerors for this CLIN. Comments at 6. The protester points to the RFI, which sought information on production capacities for 49 different container sizes and configurations, but the RFI did not list a container with the exact dimensions of the ammunition-grade 20-foot container described in the RFP for CLIN 35. See Protester's Post-Hearing Comments at 8; RFP at 247-248; see *generally* AR, Tab 10, RFI. Sea Box argues that the difference in dimensions between the 20-foot ammunition-grade container listed in the RFI and the one listed under CLIN 35 in the RFP is sufficient to render the agency's market research incomplete. Protester's Post-Hearing Comments at 8. The protester specifically points to the CO's testimony during the hearing that, while he did not believe that the difference in dimensions had a major impact on firms' manufacturing capacity responses to the RFI, he could not confirm that fact with absolute certainty. *Id.* at 8.

The agency responds that "any minor difference in dimensions between the Solicitation and [sources sought notice] with respect to ammunition grade containers does not have any impact on the set-aside determination." Agency's Post-Hearing Comments at 9. In support of this argument, DLA points to the fact that [Company B] and [Company A's] manufacturing capacities for different sizes and configurations of shipping containers were represented as and considered to be interchangeable for the purposes of the CLIN-by-CLIN analysis and subsequent set-aside decision. *Id.*

As previously stated, in making a set-aside decision, agencies need only make an informed business judgment whether there is a reasonable expectation of receiving acceptably priced offers from small business concerns that are capable of performing the contract. See *Mountain West Helicopters*, *supra* at 3; *CRAssociates*, *supra*. Because a decision whether to set aside a procurement is a matter of business judgment within the contracting officer's discretion, our review is generally limited to ascertaining whether that official abused his or her discretion. *Plateau Software*, *supra* at 7. Generally, we will not disturb the contracting officer's set-aside determination unless it is unreasonable. *American Artisan Prods.*, *supra*.

Here, we do not find that the agency's market research and subsequent set-aside decision for CLIN 35 was unreasonable. Under CLIN 35, the RFP solicited a 20-foot ammunition-grade container with one full side opening, no end doors, and dimensions

of 20' x 8' x 8'6". RFP at 247-248. The RFI sought information on 49 different types of containers, including a 20-foot ammunition-grade container with one full side opening, no end doors, and dimensions of 20' x 8' x 8'. AR, Tab 10, RFI at 18. In other words, the only difference between the container listed in the RFI and the one listed in the RFP is that the height of the containers varies by six inches. In making the set-aside determination, the agency considered the dimensions listed in the RFP and specifically focused on the 20-foot length, the ammunition-grade aspect, and the requirements for one full side opening and no end doors. AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 51.

During the hearing, the CO testified that he did not "believe that [height discrepancy] would . . . have a giant impact" because the agency had "been soliciting and awarding that [shipping container] over the past several years." Tr. at 108. The CO also noted that DLA has "a specific product specialist in that area who's more of a technical expert"; as a result, the CO testified that because he was "not [] 100 percent sure," he preferred not to confirm that this height discrepancy had no impact whatsoever on manufacturing capacity responses. *Id.* at 108-109.

We do not agree with the protester that this six-inch height discrepancy, or the fact that the CO could not confirm with absolute certainty that this discrepancy did not matter at all, automatically makes the agency's market research incomplete. See Protester's Post-Hearing Comments at 8. Even without a more specialized level of expertise, we view the CO's testimony--that the height discrepancy likely did not have a major impact because the agency had previously been soliciting and awarding for the type of 20-foot container solicited under CLIN 35--as holding weight.

Further, the record shows that, in response to the RFI, the small businesses represented that their production capacity was interchangeable amongst different types and sizes of containers. AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 1. The record indicates that the length of the shipping containers was the notable feature in terms of which containers were considered interchangeable. *Id.* For example, in a response to the RFI, [Company B] stated that it could "build [DELETED] combined 20 ft or smaller containers" per month. AR, Tab 11, RFI Responses at 26. Even Sea Box, which indicated [DELETED] production capacity for 20-foot containers and [DELETED] production capacity for all other smaller containers, did not specify different production capacities for specific types or subsets of 20-foot containers. *Id.* at 372; AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 1. In other words, we fail to see how a six-inch height difference on a 20-foot container could be dispositive when the businesses themselves represented that containers with significantly more variation were considered interchangeable. Moreover, the agency reasonably relied on these representations in making its set-aside determination, as the record shows that the agency considered the dimensions of the container established in the RFP, with a focus on the 20-foot length. AR, Tab 8, CLIN by CLIN Set Aside Evaluation at 51.

In sum, under these circumstances, we conclude that the protester has failed to show that the agency's market research and determination to issue CLIN 35 as unrestricted was unreasonable. This protest ground is denied.

The protest is denied.

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