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Decision

Matter of: AOC Applied Solutions, LLC

File: B-424403

Date: July 14, 2026

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Theresa Cortese-Fusaro, Esq., and Stephanie Kearney-Quilling, Esq., Department of the Navy, Naval Surface Warfare Center, for the agency.
Mary G. Curcio, Esq., and John Sorrenti, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.
Adel Mansour, Piliero Mazza, PLLC, for the protester.

DIGEST

Protest that agency should have waived protester's failure to provide required document as a minor informality instead of rejecting quotation is denied; the agency was permitted but not required to waive the error.

DECISION

AOC Applied Solutions, LLC, of Ashburn, Virginia, protests the decision of the Department of the Navy to exclude its proposal from the competition under request for proposals (RFP) No. N0017826R3002-0007, for the issuance of a task order for engineering services. The protester contends that the agency unreasonably eliminated its proposal from consideration for award.

We deny the protest.

BACKGROUND

The RFP, issued on October 30, 2025, contemplates the issuance on a best-value tradeoff basis of a cost-reimbursable task order for engineering services under the Navy's SeaPort Next Generation (SeaPort NxG) indefinite-delivery, indefinite-quantity contract for a 1-year base period and four 1-year option periods. Agency Report (AR), Exh. 1a, RFP, at 2-4. The procurement is being conducted pursuant to the procedures of Federal Acquisition Regulation (FAR) 16.505. RFP at 115.

Offerors were required to submit their proposals in four volumes as follows: volume I-technical; volume II-past performance; volume III-cost; and volume IV-contract documentation. *Id.* at 101. Volumes III and IV are relevant to this protest.

With respect to the volume III cost proposal, offerors and their subcontractors were required to submit pricing for each line item and sub line item in section B of the solicitation. *Id.* at 104. Section B included line items in the 6000 series for cost reimbursable items, line items in the 7000 series for cost only items, and line items in the 8000 series for not separately priced data items. *Id.* at 2, 3. Pricing for the 6000 series was generally derived from the labor hours required to perform the statement of work. The cost of not separately priced items in the 8000 series was to be included in the cost of the corresponding 6000 line items for which the data was generated. *Id.* at 3.

In volume IV, contract documentation, offerors were required to provide, among other things, Department of Defense (DD) form 1423, contract data requirements list (CDRL). The CDRL included 28 data items. Each data item identified the sections of the Statement of Work (SOW) for which the data to be provided would be generated. For each data item offerors were required to complete a price group in block 17 and an estimated total price in block 18. The RFP explained this information as follows:

Block 17

- (a) Group I. Definition – Data which is not otherwise essential to the Offeror's performance of the primary contracted effort (production, development, testing, and administration) but which is required by DD Form 1423.
 - (i) Estimated Price – Costs to be included under Group I are those applicable to preparing and assembling the data item in conformance with Government requirements, and the administration and other expenses related to reproducing and delivering such data items to the Government.
- (b) Group II. Definition – Data which is essential to the performance of the primary contracted effort but the Offeror is required to perform additional work to conform to Government requirements with regard to depth of content, format, frequency of submittal, preparation, control, or quality of the data item.
 - (i) Estimated Price – Costs to be included under Group II are those incurred over and above the cost of the essential data item without conforming to Government requirements, and the administration and other expenses related to reproducing and delivering such data items to the Government.
- (c) Group III. Definition – Data which the Offeror must develop for his internal use in performance of the primary contracted effort and does not require any substantial change to conform to Government requirements

(i) Estimated Price – Costs to be included under Group III are the administrative and other expenses related to reproducing and delivering such data items to the Government.

(d) Group IV. Definition – Data which is developed by the contractor as part of his normal operating procedures and his effort in supplying these data to the Government is minimal.

(i) Estimated Price--Group IV items should normally be shown on the DD Form 1423 at no cost.

(2) Block 18. For each data item, enter an amount equal to that portion of the total price which is estimated to be attributable to the production or development for the Government of that item of data. The estimated data prices shall be developed only from those costs which will be incurred as a direct result of the requirement to supply the data, over and above those costs which would otherwise be incurred in performance of the contract if no data were required. The entry "N/C" for "no charge" will be acceptable. . . . RFP at 97-98.

The solicitation advised offerors that the agency would evaluate volume IV on a pass/fail basis to verify that all documents were submitted. RFP at 119. The solicitation further stated that "[i]f the Offeror has failed to meet any of the pass/fail requirements, the proposal is ineligible for award and will be eliminated from further consideration." *Id.* The solicitation also reserved to the Government the right to eliminate an offeror without evaluating proposal volumes I, II and, III if the offeror's proposal was not rated pass for volume IV. *Id.* at 115.

Applied submitted a proposal but did not include the CDRL in volume IV. As a result, Applied's proposal was rated fail for volume IV and eliminated from the competition. Applied filed this protest with our Office, objecting to the rejection of its proposal.¹

DISCUSSION

Applied argues that the agency should not have rejected its proposal because while it did not include the CDRL in volume IV, it did include the information required by the CDRL in volume III of its proposal. Specifically, according to Applied, in its volume III cost proposal spreadsheet it included the relevant, not separately priced information for the series 8000 data deliverables, which encompassed the data deliverables listed in the CDRL. In this regard, Applied's volume III included a chart listing the five line items

¹ Because the value of the task order is over \$35 million, this procurement is within our jurisdiction to hear protests related to the issuance of orders under multiple-award, indefinite-delivery, indefinite-quantity contracts awarded under the authority granted in title 10 of the United States Code. 10 U.S.C. § 3406(f)(1)(B).

for series 8000 and stating that each line item was “not separately priced.” AR, Exh. 2b, Applied Vol. III Cost Proposal Spreadsheet at 2.

Applied reasons that its proposal should not have been eliminated simply because it did not duplicate the CDRL in volume IV of its proposal as this information was already included in volume III of its proposal. Applied further asserts that failing to include documentation for items that are not separately priced does not have any impact on its price or on the evaluation of its proposal. Applied finally asserts that the CDRL is primarily a post-award tracking document for contract performance and deliverables and does not impact the level of effort required for performance. Applied concludes that for these reasons the failure to include the CDRL in volume IV of its proposal should have been treated as a minor informality and waived.²

The agency disagrees that it should have waived Applied’s failure to include the CDRL in volume IV as a minor informality. According to the agency, Applied mischaracterizes its mistake as the simple failure to include the CDRL in the correct proposal volume. Instead, the agency contends that Applied did not include all the information that was required by the CDRL in its volume III proposal. COS/MOL at 9. Specifically, Applied did not provide the price group in Block 17, as instructed. *Id.* The agency further asserts that the absence of the required form was not a minor informality. According to the agency, the form was required by the solicitation to be included in volume IV, serves as the official contract artifact listing all deliverables, and is a material contract document that “affects the completeness of the contract documentation package” and must be included in the contract file. *Id.* at 11.

With respect to volume IV, the solicitation provided that the Government may waive minor oversights and irregularities in the submitted contract documentation that were considered immaterial. The solicitation also reserved to the Government the right to reject a proposal that failed to meet volume IV requirements. RFP at 115. Contrary to the protester’s position, and as explained by the agency, the CDRL required both a price group and an estimated total price for each data item and the protester included only the latter in volume III. COS/MOL at 6-7, 8, 9-10. Thus, the premise of the protester’s argument, that all the information required by volume IV was included in volume III is without a basis. Given the missing information, the agency did not act improperly by not waiving the protester’s error as a minor informality. Ultimately, the decision to waive such a matter was entirely permissive and within the discretion of the agency. See e.g., *Renova-Sovereign JV II*, B-421629, July 28, 2023 at 5 (under FAR

² Applied’s proposal was initially also rejected for failure to include a fee table in volume IV. Applied initially protested that the agency should waive this error because it included the fee table in volume III of its proposal. This issue is academic because in its report responding to the protest the agency agreed to waive the protester’s failure to include the fee table in volume IV because the same, complete information was already included in volume III of the protester’s proposal. Contracting Officer’s Statement/Memorandum of Law (COS/MOL) at 4.

Part 15 even if the protester's failure to include price for CLIN was a minor informality or irregularity that the agency could have waived, decision to waive was entirely permissive and within the discretion of the agency). Although this is a FAR Part 16 procurement, we find that the same rationale applies here.

Therefore, here, the agency, in its discretion, reasonably decided not to waive Applied's failure to include the CDRL in volume IV of its proposal and properly eliminated the proposal from the competition.³

The protest is denied.

Edda Emmanuelli Perez
General Counsel

³ The protester also argues that the agency was inconsistent in waiving Applied's failure to include the fee table in its proposal but not waiving the failure to include the CDRL. The protester contends that as with the fee table, Applied included in volume III of its proposal the information required in the CDRL and the agency therefore should have waived this error as well. We disagree. As the agency has pointed out, the CDRL required offerors to provide both a price group and an estimated total price for each data item and Applied included only the latter in volume III. In addition, the agency has explained that the CDRL form was required by the solicitation and is a material contract document. Because Applied did not include in its proposal all of the information required by the CDRL, we find that the agency was not inconsistent in waiving the failure to include the fee table rather than the failure to include the CDRL.