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Decision

Matter of: MAGPRO Alliance, JV

File: B-424328.2

Date: July 27, 2026

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DIGEST

Protest arguing that solicitation's corporate experience requirements unduly restrict competition is denied where the record shows that the agency reasonably exercised its discretion to establish requirements to ensure successful performance of services.

DECISION

MAGPRO Alliance, JV, a small business of Silver Spring, Maryland, challenges the terms of request for proposals (RFP) No. N40080-25-R-2233, issued by the Department of the Navy, Naval Facilities Engineering Command, for custodial services at installations in Washington, D.C., Maryland, and Virginia. MAGPRO contends that certain solicitation terms unduly restrict competition.

We deny the protest.

BACKGROUND

The RFP was issued on January 27, 2026, to participants in the Small Business Administration's (SBA) section 8(a) program,¹ pursuant to Federal Acquisition

¹ Section 8(a) of the Small Business Act, 15 U.S.C. § 637(a), authorizes the SBA to enter into contracts with government agencies and to arrange for performance through subcontracts with socially and economically disadvantaged small business concerns.

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Regulation (FAR) parts 12 and 15, for custodial services to be provided at several Naval installations in Washington, D.C., Maryland, and Virginia. Agency Report (AR), Exh. 1, RFP at 1.² The RFP contemplates award of a fixed-priced, indefinite delivery, indefinite quantity contract to be performed over a 1-year base period, four 1-year option periods, and one 6-month option period. *Id.* at 3. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 2.

Award is to be made to the offeror with the lowest-priced, technically acceptable proposal considering price and several non-price factors, including the one at issue here, corporate experience. RFP at 84. Under this factor, offerors are to submit three past janitorial services projects demonstrating their experience with relevant projects similar in size, scope, and complexity, and completed within the last five years. AR, Exh. 2, RFP, amend. 0009 at 61. A proposal will be evaluated as acceptable under this factor if an offeror provides at least two recent and relevant projects demonstrating experience performing custodial services for different types of facilities at different locations simultaneously. *Id.* As issued, the RFP stated that for purposes of ascertaining whether a project was similar in size, the agency would consider whether a project was valued at \$8 million or more per year; this value would be the basis for comparison with projects submitted by offerors. RFP at 88.

On March 16, a pre-award protest of this solicitation was filed with our Office by another firm, asserting in part that the requirement that projects submitted under the corporate experience factor be valued at \$8 million or more per year is unduly restrictive of competition because the value of the incumbent contract is significantly less than \$8 million per year. *DJS Joint Venture, LLC*, B-424328, Apr. 14, 2026, at 1 (unpublished decision). The agency took corrective action stating in part that it would amend the terms of the solicitation by lowering the project size requirement to \$6.5 million or greater per year. *Id.* We dismissed the protest as academic on April 14. *Id.*

On April 28, the agency issued amendment 0007, which reduced the project size requirement from \$8 million or greater per year to \$6.5 million or greater per year. COS/MOL at 2; AR, Exh. 2, RFP, amend. 0007 at 49. On May 5, one day before proposals were due, MAGPRO filed an agency-level protest asserting that the terms of the solicitation regarding the project size requirement under the corporate experience factor were still unduly restrictive of competition. The protester asserted that the size for comparison should be further reduced to [DELETED] or greater per year. Protest, exh. A, Email from Protester to Agency at 1; Req. for Dismissal at 1. The agency subsequently extended the due date for proposals until May 27, but did not take any corrective action in response to the agency-level protest. Protest at 3. On May 22,

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See 13 C.F.R. § 124.501(a) (SBA may enter into all types of awards, including contracts and orders). This program is commonly referred to as the 8(a) program.

² Page numbers refer to the Adobe PDF page numbers.

MAGPRO filed the instant protest asserting that the project size requirement of \$6.5 million or greater per year is unduly restrictive of competition.

DISCUSSION

MAGPRO primarily asserts that the size requirement of \$6.5 million or greater per year for corporate experience projects is unreasonable because the agency failed to use its market research to determine whether eligible firms had sufficient experience on smaller-sized projects. Comments at 5-6.

The Navy responds that it has a reasonable basis for this project size requirement. The agency explains that it considered the total square footage of the areas to be cleaned per year and their separate locations, the specialized access requirements for each location, the average cost per year of the prior contract adjusted for cost increases, and the independent government cost estimate (IGCE). Agency's Resp. to Add'l. Briefing at 3. Additionally, the Navy contends that there is no legal requirement that the project size requirement be based on its market research. The agency asserts that while market research can vary depending upon the circumstances of an acquisition, neither FAR subparts 10.001 and 10.002, nor any other statute or regulation, require agencies to base a requirement like the one at issue on market research. The agency also contends that it otherwise complied with all market research requirements. *Id.*

The protester argues that the agency was required to use adequate market research in choosing the project size requirement because FAR part 10 requires agencies to use market research to determine whether there are offerors capable of meeting the agency's requirements. Protester's Resp. to Add'l. Briefing at 2. MAGPRO contends that the sources sought notice and the market research analysis did not ask contractors to identify projects performed at or near the project size requirement and did not consider whether the requirement would unduly restrict competition. *Id.*

We find that the record shows that the agency has a reasonable basis for the size requirement of \$6.5 million or greater for corporate experience projects. When establishing solicitation requirements, a contracting agency has the discretion to determine its needs and the best methods to accommodate them. *AMD CM II, LLC*, B-420834.2, Nov. 15, 2022, at 3. In considering a protest that challenges a solicitation requirement as unduly restrictive of competition, the procuring agency must show that the requirement is reasonably necessary to meet its needs. *Id.* at 3-4.

The record shows that the agency considered the geographic locations and sizes of areas to be cleaned, the frequency of cleaning, the requirements of each facility to be cleaned, the historical contract value, and the IGCE in making its determination for the project size requirement. COS/MOL at 3; AR, Exh. 6 Historical Contract Value; AR,

Exh. 7, IGCE.³ The total square footage to be cleaned is 1,343,141.88 square feet, which is dispersed between eight different locations covering a 100-mile radius. Each location has specialized access requirements. The average cost per year of the custodial services from the current contract is \$5,506,000, and the agency adjusted this amount by [DELETED] percent to account for increases in costs of goods and Service Contract Act wages, bringing the projected average cost per year to [DELETED]. COS/MOL at 3; AR, Exh. 6, Historical Contract Value. The IGCE average cost per year is approximately [DELETED]. COS/MOL at 3; AR, Exh. 7, IGCE. We have stated that such considerations serve as reasonable bases for size requirements and that establishing a minimum value for the consideration of a contractor's experience is a reasonable means of determining whether the offeror's experience is similar to the agency's requirement. *AMD CM II, supra* at 5; see, e.g., *North Shore Medical Labs, Inc.*, B-310747, Feb. 6, 2008, at 4 (finding the agency's corporate experience magnitude requirement regarding the number of medical tests performed per month was reasonable because the agency needed the contractor to successfully perform many medical tests per month).

The protester has not demonstrated that any regulation or statute requires the agency to base its corporate experience project size on its market research. Federal Acquisition Regulation subsection 10.001(a)(3)(i) requires agencies to use the results of market research to determine if there are offerors that can meet their requirements. FAR 10.001(a)(3)(i).⁴ The protester cites *Triad Isotopes, Inc.*, B-411360, July 16, 2015, to support its contention that the agency was required to base its requirements on its market research, but we fail to see how this case offers support. In this matter, we sustained a protest asserting that the agency's decision to set aside the procurement for small businesses was unreasonable because its market research did not support its conclusion that there were enough small businesses capable of meeting its requirements. But the agency's failure in that case related to its determination that offerors could meet the agency's established requirements, not to informing the agency's decision on what its requirements should be. See *id.* at 5 ("the agency's market research was insufficient to support the agency's conclusion that it would receive viable quotations from at least two responsible small business concerns.") While the protester is correct that agencies must use their market research to determine

³ Attached to the solicitation were numerous excel spreadsheets containing the square footage of each area at each location as well as other information such as the number and type of rooms. These attachments were collectively referred to as "Section J 1503010-07 Custodial Inventory." AR, Exh. 2, amend. 0006, at 31, 38-40. These attachments were not included in the agency report but GAO located them on the governmentwide point of entry, SAM.gov.

⁴ We note that the agency issued a sources sought notice and conducted a market survey to identify sources capable of satisfying its requirements. COS/MOL at 2; AR, Exh. 3, Market Research Report at 1. The agency received responses from 20 eligible 8(a) contractors. COS/MOL at 2; AR, Exh. 3, Market Research Report at 2, 4.

whether there are offerors that can meet their requirements, agencies are not required to base their requirements on their market research. FAR 10.001(a)(3)(i) (“Agencies shall [u]se the results of market research to [d]etermine if sources capable of satisfying the agency’s requirements exist.”)

Finally, we note that where, as here, the agency has demonstrated that a requirement is reasonably necessary to meet its needs, the protester’s contention that the requirement is burdensome or impossible for it to meet does not provide a basis to sustain the protest. *AMD CM II, supra*.

The protest is denied.

Edda Emmanuelli Perez
General Counsel