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Decision

Matter of: Patriot Contract Services, LLC

File: B-424516.2; B-424516.3

Date: September 17, 2026

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DIGEST

Protest objecting to proposed corrective action taken in response to an earlier protest is denied where the record shows that the agency had a reasonable basis for taking corrective action.

DECISION

Patriot Contract Services, LLC, a small business of Houston, Texas, protests the corrective action taken in connection with a prior protest concerning request for proposals (RFP) No. N3220524R4070, issued by the Department of the Navy, Military Sealift Command (MSC), for operation and maintenance services for ocean surveillance (T-AGOS) and range instrumentation (T-AGM) ships. Patriot primarily contends that the agency's proposed corrective action is unreasonable.

We deny the protest.

BACKGROUND

The RFP was issued on July 12, 2024, pursuant to Federal Acquisition Regulation (FAR) part 15, for operation and maintenance services for T-AGOS and T-AGM ships.

Agency Report (AR), Tab 5, Conformed RFP at BATES 000017, 00037.¹ The contractor is to provide crews, equipment, tools, and provisions and supplies necessary to operate, maintain, and repair the vessels, and provide operational and technical support ashore and afloat. AR, Tab 5, Conformed RFP, Performance Work Statement (PWS) at ¶ C-1.1. The RFP contemplates the award of a single fixed-price contract to be performed over a 1-year base period, four 1-year option periods, and one 6-month period. Conformed RFP at BATES 000034. Award was to be made to the offeror with the lowest-priced, technically acceptable (LPTA) proposal, considering price and the following non-price factors: solicitation package, technical requirements proposal,² and past performance proposal. *Id.* at BATES 000262.

The proposal instructions warned offerors that the “[f]ailure to provide any of the items in compliance with the instructions in this solicitation will make the offer unacceptable unless the omission constitutes a minor informality, as determined by the Government. Unacceptable offers will not be evaluated any further.” Conformed RFP at BATES 000247. As relevant here, under the past performance factor, offerors were to address historical compliance with the requirements of FAR clause 52.219-8 regarding the utilization of small business concerns. Offerors were also required to provide all “no-sail” United States Coast Guard (CG)-835s and contract deficiency reports (CDR)³ issued within the last three years from the proposal due date. *Id.* at BATES 000021, 000254.

For all non-price factors, proposals were assigned a rating of acceptable or unacceptable. Conformed RFP at BATES 000263-000265. Prices were to be evaluated to determine whether they were fair, reasonable, and balanced. *Id.* at BATES 000263. A proposal rated unacceptable for any non-price factor would be ineligible for award. *Id.* at BATES 000262.

The agency received four proposals by the submission due date and determined that three were in the competitive range. AR, Tab 33, Source Selection Decision Document at BATES 002319. All three offerors ultimately received a rating of acceptable under the three non-price factors and all prices were determined to be fair and reasonable and

¹ Citations to the agency report are made to the BATES page numbers unless stated otherwise.

² The technical requirements proposal has several subfactors not at issue here.

³ CG-835 is a form titled “Notice of Merchant Marine Inspection Requirements” that is used to list vessel inspection defects and failures to comply with maritime laws or safety regulations. A “no-sail” CG-835 is an official order from the CG that stops a vessel from leaving port because it failed safety regulations. 46 C.F.R. § 2.01-10. A CDR is used to report and resolve deficiencies in a procurement instrument. Defense Federal Acquisition Regulation Supplement (DFARS) 204.270-2(c); DFARS Procedures, Guidance, and Information (PGI) 204.270-2(c).

balanced. The agency concluded that Patriot's proposal was the lowest-priced. *Id.* at BATES 002320-002321.

On April 28, 2026, MSC notified KIRA Information Solutions, LLC, that award had been made to Patriot. AR, Tab 42, Email from Agency to Patriot, Apr. 28, 2026; attach. Notification to Unsuccessful Offerors. On May 1, MSC provided KIRA with a debriefing that concluded on May 12. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 2.⁴ KIRA filed a timely protest with our Office asserting that Patriot made a material misrepresentation in its proposal and that the agency unreasonably evaluated price and technical risk generally. *KIRA Information Solutions, LLC*, B-424516, June 16, 2026 (unpublished decision) at 1. The agency subsequently announced that it would take corrective action, stating that it would re-open discussions, issue updated evaluation notices to all offerors in the competitive range, amend the solicitation to correct and clarify proposal instructions and evaluation criteria, request final revised proposals (FRP) from all offerors in the competitive range, evaluate all timely received FRPs, prepare a new source selection decision, and either reaffirm the award to Patriot as modified by any changes in its proposal, or award a new contract. *KIRA Information, supra*. The agency did not explain what issues in the procurement gave rise to its corrective action.

Patriot objected, claiming that MSC had not identified any prejudicial impropriety in the evaluation or award that warranted this expansive corrective action and that permitting other offerors to submit revised proposals would severely prejudice Patriot because its price had been disclosed. *Id.* at 1-2. We found that Patriot had not demonstrated that the corrective action failed to render the protest academic and noted that a challenge to the corrective action must be filed as a separate protest. *Id.* at 2. We dismissed the protest as academic on June 16, and this protest followed.

DISCUSSION

Patriot initially argued that there were no procurement improprieties in the record and therefore the agency did not have a reasonable basis to take corrective action.

The contracting officer states that recent events have affected the procurement and that there are many errors with the procurement that justify the agency's decision to take corrective action. Concerning price, the contracting officer explains that offerors need to be provided with an opportunity to update their price proposals because the price proposals are more than six months old as they were submitted on October 29, 2025; events in the Strait of Hormuz have had unanticipated impacts on civilian mariner compensation; and a new Department of Labor (DOL) wage determination will be issued that will affect wages. COS/MOL at 9, 11.

⁴ Citations to the COS/MOL are to that document's Adobe PDF page numbers.

Concerning the non-price factors, the contracting officer discovered problems with the proposals as submitted, such as deficiencies in Patriot's technical volume and in every offeror's past performance volume. The contracting officer also states that the technical evaluation and past performance evaluation reports contain errors, such as a lack of discussion regarding compliance with several different material requirements and certain ratings assigned, and inconsistencies and mistakes throughout the reports that create confusion. The contracting officer explains that, based on the deficiencies with the proposals, and the lack of documentation regarding certain material requirements, none of the three proposals in the competitive range were eligible for award. COS/MOL at 3-11.

Patriot responds that, regarding price, none of the reasons articulated by the agency justify taking corrective action. Patriot asserts that six months is an insignificant amount of time for a long-term contract to worry about potential price escalation. Patriot also asserts that the events in the Strait of Hormuz would likely increase offerors' pricing in equal measure and, in any case, the situation is so volatile that it is nearly impossible to predict how pricing would be affected. Patriot further asserts that the wage determination is a "non-issue" because all offerors will be impacted by it and thus all their prices will increase and the differences between them will remain proportionately the same. Protester's Comments at 22.

Regarding the non-price factors, Patriot contends that none of the alleged improprieties are prejudicial to offerors. Patriot contends that the agency effectively waived any material requirements offerors failed to meet. As a result, none of the offerors were prejudiced because none of the offerors would have submitted a different offer with a reasonable possibility of being selected for award had it known the requirement would be waived. Patriot reasons that since this is an LPTA competition and the only possible ratings under each non-price factor are acceptable or unacceptable, and all offerors received acceptable ratings, offerors cannot improve their ratings by changing their proposals. Additionally, Patriot asserts that the agency has stated that none of the alleged errors had any impact on price and therefore prices will remain unchanged. Thus, Patriot concludes that none of the errors are prejudicial and the agency's corrective action lacks a reasonable basis.⁵

Agencies have broad discretion to take corrective action where the agency has determined that such action is necessary to ensure fair and impartial competition. *Northrop Grumman Information Technology, Inc.*, B-404263.6, Mar. 1, 2011, at 3. The details of implementing the corrective action are within the sound discretion and judgment of the contracting agency, and we will not object to any particular corrective action, so long as it is appropriate to remedy the concern that caused the agency to take corrective action. *Id.*; *Onésimus Defense, LLC*, B-411123.3, B-411123.4, July 24,

⁵ Patriot raised several additional arguments to support its challenge to the agency's basis for corrective action. While we do not address them, we have considered them all and find that none provide us with a basis to sustain the protest.

2015, at 3-4. A contracting agency has the discretion to determine its needs and the best method to accommodate them, and we will not question an agency's determination of its needs unless that determination has no reasonable basis. *Onésimus Defense, supra* at 5. The adequacy of the agency's justification of its needs is ascertained through examining whether the agency's explanation is reasonable; that is, whether the explanation can withstand logical scrutiny. *Id.*

Based on our review of the record, the agency has provided reasonable bases for its proposed corrective action. The agency has documented potential impacts to offerors' pricing due to a variety of events and a variety of issues with the non-price proposals as submitted. Regarding price, as described above, the agency is concerned that the price proposals are more than six months old, that recent events in the Strait of Hormuz have had unanticipated impacts on civilian mariner compensation, and that a new DOL wage determination will be issued that will affect wages. As to the non-price factors, the contracting officer has determined that none of the proposals are eligible for award.

While Patriot argues that the agency is wrong about the need for offerors' to update their prices, it merely espouses what it believes is the more likely outcome; namely that any changes will not alter its position as the lowest-priced offeror. Protester's Comments at 22. Patriot does not argue that the agency is mistaken about any of the price-related factors it considered, e.g., that civilian mariner compensation has not changed due to events in the Strait of Hormuz or that there is no new wage determination that will affect wages. Neither does Patriot argue that these concerns have no bearing on offerors' pricing such that they are not logically related.

The record shows that final revised price proposals were submitted back in October 2025. COS/MOL at 2; AR, Tab 35, FRP Price Evaluation Report at BATES 002328. Additionally, it has been widely reported that there is ongoing conflict in the Strait of Hormuz regarding international shipping. See, e.g., U.S. Department of War, Centcom⁶ Completes Another Wave of Strikes Against Iran, July 13, 2026, <https://www.war.gov/News/News-Stories/Article/Article/4541171/centcom-completes-another-wave-of-strikes-against-iran/> ("The Strait of Hormuz is an international maritime corridor for global trade.") Finally, Patriot has not contested that a new DOL wage determination will be issued before the closing date for FRP.

Patriot has not demonstrated that the agency's reasons for taking corrective action do not pass logical scrutiny; rather, Patriot's arguments are quintessential disagreement with the agency's judgment. *Onésimus Defense, supra* at 5 ("A protester's disagreement with the agency's judgment concerning the agency's needs and how to accommodate them does not show that the agency's judgment is unreasonable.") As a result, we have no reason to question the agency's reasonably articulated bases for taking corrective action. *McKean Defense Group--Information Technology, LLC*, B-401702.2, Jan. 11, 2010, at 4 (explaining that the Navy's decision to reopen

⁶ Centcom refers to the U.S. Central Command.

discussions as part of its proposed corrective action to address potentially significant changes due to the passage of time in how offerors would meet its requirements demonstrated a reasonable basis).

Furthermore, Patriot does not address or otherwise dispute the contracting officer's statement that none of the proposals are eligible for award under the non-price factors. *See Comments generally*. Rather, Patriot argues that offerors were not prejudiced by the procurement improprieties related to the non-price factors and therefore, despite the errors, the corrective action lacks a reasonable basis. To support its argument, Patriot relies on a limited exception to our standard of review for corrective action. Our Office has held that we will object to an agency's corrective action if the record establishes either that there was no impropriety in the original evaluation and award decision, or where there was an actual impropriety, but it was not prejudicial to any of the offerors. *Northrop Grumman Information Technology, Inc., supra*.

It is Patriot's position that the agency effectively waived any material requirements offerors failed to meet and, as a result, the determination whether offerors were prejudiced turns on whether an offeror would have submitted a different offer with a reasonable possibility of being selected for award had it known the requirement would be waived. As noted above, Patriot reasons that since this is an LPTA competition and the only possible ratings under each non-price factor are acceptable or unacceptable, and all offerors received acceptable ratings, offerors cannot improve their ratings by changing their proposals. Protester's Comments at 3, 10-22.

The agency responds that it did not waive material requirements and it did not intend to. Rather, the agency asserts that it made numerous errors in its evaluation that only came to light during its review of the record and these errors must be corrected via corrective action. These errors include failing to completely evaluate offerors' compliance with several material requirements and failing to adequately document the agency's findings. COS/MOL at 23-25, 35-36. The agency also asserts that there are many serious evaluation errors such that another offeror could have received award if not for the errors and therefore the other offerors have suffered competitive prejudice. *Id.* at 10, 14-15, 22, 24, 26-27.

We agree with the Navy that the record shows it did not waive material requirements and that there are numerous serious errors in the evaluation of the non-price factors such that we could not reasonably conclude that offerors were not prejudiced by them. For example, as part of their past performance proposals, offerors had to address FAR clause 52.219-8 regarding utilization of small business concerns.⁷ Conformed RFP at

⁷ Section 19.708(a) of the FAR requires agencies to insert the clause at issue here, 52.219-8, in solicitations and contracts where the contract amount is expected to exceed the simplified acquisition threshold (absent certain exceptions not present here). FAR clause 52.219-8 sets out the federal policy of providing small business concerns with the maximum practicable opportunity to participate in performing contracts. FAR
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BATES 000254. Past performance proposals would be evaluated in part based on their demonstration of compliance with the requirements of FAR clause 52.219-8. *Id.* at BATES 000264. An addendum to the past performance evaluation report (PPER) addresses offerors' compliance with FAR clause 52.219-8 in general, but omits any evaluation of offerors' compliance with FAR clause 52.219-8(b) regarding establishing procedures for timely payments to small business subcontractors. AR, Tab 37, PPER Addendum at BATES 002350-002354. In her review of the record, the contracting officer determined that the agency failed to evaluate offerors' compliance with FAR clause 52.219-8(b). COS/MOL at 7-9.

There is no evidence in the record that the agency intended to waive this requirement and the protester has not provided us with any. Patriot did not address the contracting officer's finding regarding FAR clause 52.219-8(b).

As another example, proposals were to include all "no-sail" CG-835s and CDRs issued within the last three years from the proposal due date and include them in attachment I. Conformed RFP at BATES 000254. CG-835s disclose any failures an offeror has had with a vessel's compliance with applicable laws and regulations, and CDRs report issues in other procurements and how they were resolved. These requirements informed part of the agency's consideration of whether offerors would provide quality performance. See AR, Tab 36, PPER *generally*. The agency asserts that Patriot's past performance proposal failed to attach the relevant CG-835 and CDRs, the past performance evaluation team (PPET) did not make any notations regarding these failures,⁸ and the PPET failed to consider whether any offeror included these documents in their proposals (not merely referenced or described them). COS/MOL at 5-7, 10, 14; Tab 12, Patriot Past Performance Volume at BATES 000896; see AR, Tab 36, PPER *generally*. Patriot does not direct our attention to a portion of its proposal with these documents and Patriot concedes that these documents were not included in attachment I.

Based on the materiality and pervasiveness of these issues, we cannot reasonably conclude that these errors were not prejudicial to offerors. See, e.g., *TOTE Services, Inc.*, B-414295, B-414295.2, April 25, 2017, at 11 (where pervasive evaluation errors substantially impacted the agency's relevance and quality assessments and correction of these errors could result in the awardee receiving a different rating overall and other

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clause 52.219-8(b) specifically sets out the policy that prime contractors establish procedures to ensure timely payments to small business subcontractors. See *J&J Contractors, Inc.*, B-421370, Mar. 30, 2023, at 4 n. 7.

⁸ Patriot's proposal included a summary of one CG-835 and [DELETED]. AR, Tab 12, Patriot Past Performance Volume at BATES 000895-000896. The PPET noted this information but made no mention of whether these documents were attached as required. AR, Tab 36, PPER at BATES 002346-002347.

potential changes to the evaluation, GAO could not conclude that the protester had not been prejudiced); *and see, e.g., TriCenturion, Inc.*, B-406032 *et al.*, Jan. 25, 2012 at 19 (finding that “[i]n the absence of a basis to evaluate the reasonableness of the past performance evaluations, we cannot conclude, as the agency suggests, that the rankings of the offerors would be unaffected” by evaluation errors and that offerors were not prejudiced by them).

Finally, to the extent that Patriot argues that it will be severely and unfairly prejudiced by the disclosure of its price and the reopening of competition, we find that this argument does not provide a basis to sustain the protest or question the agency’s reason for taking corrective action. Agencies are not prohibited from taking corrective action in the form of a new competition where the original awardee’s prices have been disclosed. *IDEAL Industries, Inc.*, B-416416, July 26, 2018, at 5 n.3. The possibility that the contract may not have been awarded based on a fair determination of the most advantageous proposal has a more harmful effect on the integrity of the competitive procurement system than does the possibility that the original awardee will be at a disadvantage in the reopened competition. *Id.* (finding that where award was made on an LPTA basis, disclosure of the awardee’s price was proper and the potential harm to the procurement system arising from improprieties is greater than the disadvantage of the awardee in the reopened competition).

Moreover, generally agencies are not required to equalize the possible competitive advantage flowing to other offerors as a result of the release of information in a post-award setting where the release was not the result of preferential treatment or other improper action on the part of the agency. *IDEAL Industries, supra* at 4-5. Here, Patriot’s price was properly released to its competitors in the context of a post-award notice as required by FAR subsection 15.503(b) and a post-award debriefing as contemplated by FAR subsection 15.506(d)(2), and not as a result of preferential treatment or other improper action on the part of the agency. AR, Tab 42, Email from Agency to Patriot, Apr. 28, 2026; attach. Notification to Unsuccessful Offerors. Therefore, the agency was not required to equalize any competitive advantage that may have resulted from the release of Patriot’s price. *IDEAL Industries, supra*. In any case, Patriot will be permitted to submit a revised price proposal along with all the other offerors in the competitive range. COS/MOL at 11.

The protest is denied.

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General Counsel