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Decision

Matter of: VMD Systems Integrators, LLC d/b/a VMD Corporation--Costs

File: B-422384.7

Date: October 13, 2026

Jonathan T. Williams, Esq., Jacqueline K. Unger, Esq., Samuel S. Finnerty, Esq., Abigail Finan, Esq., and Kelly A. Kirchgasser, Esq., PilieroMazza PLLC, for the requester.

Sean Grafton, Department of Homeland Security, for the agency.

Jacob M. Talcott, Esq., and April Y. Shields, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Request that GAO recommend reimbursement of attorneys' fees at a rate higher than the statutory limit of \$150 per hour based on an increase in cost of living is granted where the claim filed with the agency presents a reasonable basis for adjustment, and the agency does not object to the request.

DECISION

VMD Systems Integrators, LLC d/b/a VMD Corporation, a women-owned small business of Fairfax, Virginia, with the concurrence of the Department of Homeland Security, Federal Emergency Management Agency (FEMA), requests that we recommend that VMD be reimbursed attorneys' fees at a rate higher than the \$150 per hour statutory rate limit in connection with a bid protest in which VMD prevailed.

We grant the request.

VMD protested the elimination of its quotation from the competition and the establishment of a blanket purchase agreement with another vendor under request for quotations (RFQ) No. 70FA3123Q00000045, issued by FEMA, for project management and cyber security compliance support services. *VMD Sys. Integrators, LLC dba VMD Corp.*, B-422384.3, B-422384.5, Mar. 25, 2025, at 1-2. Our Office sustained the protest, concluding that the agency erred in eliminating VMD's quotation from the competition for quoting labor categories under special item numbers (SINs) from the protester's Federal Supply Schedule contract, instead of the SIN under which the solicitation was issued, because the solicitation did not expressly limit the applicable SINs. *Id.* at 5. We

also sustained the protester's argument that the awardee failed to quote a technical writer in accordance with the requirements of the solicitation because the agency failed to substantively respond to the protest ground. *Id.* at 8.

Our Office dismissed the allegation that the agency should have eliminated the awardee's quotation from the competition on the basis that the awardee's quotation was outside the scope of its General Services Administration's Multiple Award Schedule contract because the protester failed to allege a violation of statute or regulation. *Id.* at 7. We also dismissed challenges to the agency's evaluation of VMD's quotation under the technical/management capability and capability of proposed key personnel factors as academic. We denied the remainder of VMD's protest allegations on the merits. *Id.*

In accordance with our Bid Protest Regulations, 4 C.F.R. § 21.8(f), on August 26, 2026, VMD requested that our Office recommend reimbursement of the costs of filing and pursuing its protest, including attorneys' fees above the \$150 per hour statutory cap. Req. for Costs at 1. FEMA did not oppose VMD's request, but requested that our Office expressly recommend that the agency pay attorneys' fees above the statutory cap.¹ Resp. to Req. for Costs at 1-2.

Here, VMD represents that an adjustment from the hourly rate of \$150 per hour to an hourly rate between \$308 and \$313 per hour for attorneys' fees (depending on the month when the costs were incurred) is based on a calculation of a cost-of-living adjustment using the Consumer Price Index (CPI) for U.S. City Average in effect during the time period during which counsel represented VMD in the protest. Req. for Costs at 1-2. VMD further represents that this calculation is based on a formula expressed in our decisions. See, e.g., *Sodexho Mgmt., Inc.--Costs*, B-289605.3, Aug. 6, 2003, at 43 n.34. In total, VMD is requesting reimbursement of \$60,933.08 in protest costs. Req. for Costs at 3. The agency explains that it takes no exception to the request for \$60,933.08, agrees with VMD's calculations, and agrees that the quantum amount requested is reasonable and justified in this circumstance. Resp. to Req. for Costs at 3.

In light of the materials presented by the parties, and the agency's representation that it does not object to payment of the adjusted rate, we have no objection to the agency's entry into an agreement with VMD that reflects the adjusted rate and the parties' mutual agreement to that rate. We therefore recommend that the agency reimburse VMD for its attorneys' fees at a rate higher than the statutory limit of \$150 per hour based on an increase in cost of living in a manner consistent with the materials presented to our Office in connection with this request. See, e.g., *WorldWide Language Res., Inc.--Costs*, B-418767.4, Feb. 28, 2022, at 2-3 (recommending reimbursement of protest

¹ The \$150 hourly rate for attorneys' fees is the maximum allowable rate unless the agency determines, based on the recommendation of the Comptroller General, that a special factor such as an increase in the cost of living justifies a higher fee. 31 U.S.C. § 3554(c)(2)(B).

costs at adjusted rates that were calculated in accordance with approved CPI formula and where the agency did not object to reimbursement at those rates); *Vencore Servs. & Sols., Inc.--Costs*, B-412949.3, Dec. 12, 2016, at 2 (same).

The request is granted.

Edda Emmanuelli Perez
General Counsel