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Decision

Matter of: Fluor Federal Solutions, LLC

File: B-424203.2

Date: October 13, 2026

Andrew E. Shipley, Esq., Seth H. Locke, Esq., Jarrod R. Carman, Esq., Jessica Shelnutt, Esq., and Preston H. Marquis, Esq., Wilmer Cutler Pickering Hale and Dorr, LLP, for the protester.

Damien C. Specht, Esq., James A. Tucker, Esq., Brian E. Doll Jr., Esq., and Jillian I. Stern, Esq., Morrison & Foerster LLP, and Doug P. Hibshman, Esq., Evan C. Williams, Esq., and David O'Neil, Esq., Fox Rothschild LLP, for Strategic Test Solutions, LLC, the intervenor.

Erika L. Whelan Retta, Esq., Sanique J. Balan, Esq., Joseph M. Cappola, Esq., and Martin C. O'Brien, Esq., Department of the Air Force, for the agency.

Michelle Litteken, Esq., and April Y. Shields, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

1. Protest challenging the agency's conclusion that the disclosure of offerors' pricing information did not compromise the integrity of the procurement is sustained where the agency's conclusion is not supported by the record.

2. Protest challenging the evaluation of professional employee compensation plans is dismissed as untimely where the protester failed to challenge the evaluation within 10 days of receiving an earlier debriefing, and the agency's subsequent voluntary corrective action did not affect this aspect of the evaluation.

DECISION

Fluor Federal Services, LLC, of Greenville, South Carolina, protests the award of a contract to Strategic Test Solutions, LLC (STS),¹ of Huntsville, Alabama, under request for proposals (RFP) No. FA248824RB003, issued by the Department of the Air Force,

¹ STS is a joint venture comprised of AI Signal Research, Inc. and Sierra Lobo, Inc. Agency Report (AR), Tab 11, STS Cost/Price Narrative Proposal at 2. Citations to the record use the PDF pagination of the documents produced, unless otherwise paginated.

for operation and maintenance services to support research, development, testing, evaluation, and training missions at Eglin Air Force Base, Florida, and other test locations. Primarily, Fluor argues that the agency violated the Procurement Integrity Act (PIA) and unreasonably determined that the disclosure of the offerors' pricing information did not impair the integrity of the procurement. In addition, the protester challenges various aspects of the agency's evaluation, including the cost realism evaluation and the evaluation of the offerors' professional employee compensation plans.

We sustain the protest in part and dismiss the protest in part.

BACKGROUND

On March 25, 2025, the agency issued the solicitation pursuant to the procedures of Federal Acquisition Regulation (FAR) part 15, seeking a contractor to provide operation and maintenance services to support research, development, testing, evaluation, and training missions associated with military aerospace equipment and weapons at Eglin Air Force Base, Florida, and other test locations. AR, Tab 4, RFP at 1. The agency refers to the procurement as Elgin Operations and Maintenance Services II or EOMS II. Contracting Officer's Statement (COS) at 2. The RFP contemplated the award of a cost-plus award fee contract, with a base period and option periods providing for up to 10 years of performance. *Id.*; see also RFP at 13-15.

The RFP established that the award decision would be made using a best-value tradeoff considering two evaluation factors--technical and cost/price--with the technical factor as the more important factor. AR, Tab 3, RFP § M at 4-5.² The technical factor was comprised of the following five subfactors: (1) management approach, (2) technical sustainment and modernization, (3) staffing plan, (4) transition, and (5) subcontracting. *Id.* at 4. The RFP provided that the first two subfactors were of equal importance, and when combined, were significantly more important than the other technical subfactors. *Id.* at 5. The staffing plan subfactor was more important than the transition subfactor. *Id.* With the exception of the subcontracting subfactor, which would be evaluated on an acceptable/unacceptable basis, the agency would assign one of the following technical/risk ratings for each subfactor: outstanding, good, acceptable, marginal, and unacceptable. *Id.* at 5-6.

Relevant here, for the cost/price proposal, the RFP instructed offerors to complete a cost model spreadsheet, provided as an attachment to the RFP, which contained certain limitations and prepopulated information. AR, Tab 8, RFP § L at 19. The cost model spreadsheet was prepopulated with labor categories and labor hours, and the RFP advised offerors not to propose different labor categories or hours. *Id.* Offerors

² The agency issued the solicitation instructions (submitted as agency report tab 8) and evaluation factors (submitted as agency report tab 3) as attachments to the RFP. The instructions and evaluation criteria are cited herein as section L and section M, respectively.

were required to adhere to minimum labor rates provided for each labor category, as well as other minimum rates. AR, Tab 6, RFP attach. L-4, Cost Model Spreadsheet at Instructions. Offerors were also required to use agency-provided plug-in values for material and travel costs, and the minimum award fee was five percent. *Id.* The solicitation established that the Air Force would evaluate cost/price proposals for completeness, reasonableness, realism, unbalanced pricing, and total evaluated price (TEP). RFP § M at 10. In addition, professional employee compensation plans would be evaluated in accordance with FAR provision 52.222-46, Evaluation of Compensation for Professional Employees. *Id.* at 11.

Procurement & Procedural History

The protest follows several prior rounds of protests and agency voluntary corrective action. The Air Force received proposals from Fluor, STS, and a third offeror, Reliance Test & Technology (Reliance), of Crestview, Florida, prior to the solicitation's May 13 closing date. COS at 4. The agency evaluated the offerors' proposals, established a competitive range consisting of the three offerors, and opened discussions. *Id.* at 4-5.

On September 30, the contracting officer closed discussions and requested final proposal revisions. COS at 5. When the agency sent the request for final proposals to the offerors, the agency included briefing slides that summarized the source selection evaluation board's (SSEB) evaluation of each offeror's respective proposal. *Id.* When the agency sent the briefing slides to Reliance, the Air Force inadvertently included a pricing overview slide, which contained agency-generated total evaluated cost roll-ups for all offerors.³ *Id.*; see also AR, Tab 25, Pricing Overview Slide. The slide disclosed that Fluor's TEP was lower than STS's TEP but higher than Reliance's TEP. AR, Tab 25, Pricing Overview Slide.

The next day, Reliance notified the Air Force that it had received the pricing overview slide, with the pricing information of its competitors.⁴ AR, Tab 20, Email from Reliance to Agency at 1. After receiving notification from Reliance, the contracting officer investigated the disclosure, considered potential mitigation measures, and determined that providing the pricing information to all offerors was the preferred option because it "ensure[d] parity, eliminate[d] any potential advantage to [Reliance], and maintain[ed] the integrity of the competition without unduly delaying the schedule." AR, Tab 40,

³ For each offeror, the pricing overview slide provided: evaluated labor cost, set costs (*i.e.*, the mandatory plug-in values), and unevaluated fees, overtime, and overhead. AR, Tab 25, Pricing Overview Slide. The agency states that the rows for fees, overtime, and overhead "represent total Government-calculated adjustments to cost" and "were **summary roll-ups** of multiple sub-line items and factors within the Government cost model." AR, Tab 40, Memorandum for Record at 2.

⁴ When Reliance notified the Air Force that the firm had received the pricing information, Reliance identified the six personnel who received it and noted all personnel had been instructed to delete it. AR, Tab 20, Email from Reliance to Agency, Oct. 1, 2025, at 1.

Memorandum for Record at 3.⁵ The contracting officer found that with this approach, “[a]ny potential advantage to [Reliance] or competitive harm to Fluor or STS has been eliminated or is negligible.” *Id.* at 4.

On October 3, the contracting officer released the pricing overview slide to all three competitive range offerors. COS at 6. When the agency provided the slide to the offerors, the agency stated that the TEP for each offeror had been inadvertently disclosed to one offeror, and the agency continued:

In the interest of fairness and to maintain the integrity of the competition, the Government is providing the same information to all offerors. Accordingly, attached is the total evaluated price overview that was previously released in error. This information does not contain underlying proprietary information such as direct labor rates, indirect rates, award fee percentages, or other detailed pricing structures, nor does it contain any necessary information to derive underlying proprietary information.

AR, Tab 22, Letter to Fluor, Oct. 3, 2025. The Air Force wrote: “[o]fferors may consider this disclosure in their [final proposal revision].” *Id.*

On October 13, Fluor sent the Air Force a letter to “express [the firm’s] concerns regarding a potential violation of the Procurement Integrity Act.”⁶ AR, Tab 48, Fluor Letter to the Agency, Oct. 13, 2025, at 1. As relevant here, Fluor asserted that the agency knowingly disclosed contractor proposal information prior to the award of a federal contract, and the disclosure was prohibited by the PIA. Fluor stated that the “letter constitute[d] a timely report of the information Fluor believes to constitute evidence of a possible violation of [the PIA].” *Id.* at 2.

The following day, the Air Force sent Fluor a response, stating that the agency had “reviewed the matter” and “determined that the most appropriate and equitable course of action was to **ensure all offerors were provided the same information** and afforded an opportunity to submit revised proposals in accordance with **FAR 15.307(b)**.” AR, Tab 49, Agency Letter to Fluor, Oct. 14, 2025. The agency continued:

⁵ Although the memorandum is dated October 6--a few days later, and after the agency took additional disclosure action--it is our understanding that the memorandum reflects the contracting officer’s assessments and decision-making that occurred when he learned of the disclosure and decided to release the information to all offerors. See AR, Tab 30, PIA Reinvestigation Report at 3-4 (stating information regarding the initial investigation was documented in the memorandum).

⁶ The Office of Federal Procurement Policy Act, 41 U.S.C. §§ 2101-2107 (also known as the PIA) provides, among other things, that a federal government official “shall not knowingly disclose contractor bid or proposal information or source selection information before the award of a Federal agency procurement contract to which the information relates.” 41 U.S.C. § 2102(a)(1).

Restricting further proposal revisions would not serve to restore equality among offerors or promote full and open competition, particularly once the information has already entered the public domain. Providing equal access and an opportunity for all offerors to revise their proposals is the only practical and legally supportable method to preserve the integrity and fairness of the source selection process.

Id. The Air Force concluded the letter by stating “[t]he Government has therefore concluded that the chosen corrective action was appropriate, proportionate, and consistent with the requirements of the **Federal Acquisition Regulation**.” *Id.*

The agency received final proposal revisions from Fluor and the other two offerors prior to the October 16 submission deadline. COS at 6. Relevant here, STS’s proposed cost/price was approximately \$72 million less than the cost/price offered in its initial proposal. *Id.* Fluor did not change its proposed cost/price, and it offered the highest cost/price of the three offerors. *Id.* The SSEB evaluated the offerors’ proposals, the source selection authority (SSA) conducted a best-value tradeoff decision, and the agency awarded the contract to STS on December 31. COS at 7. When the agency notified Fluor of the award decision, the agency provided Fluor with a debriefing, and, on January 6, the agency responded to questions that Fluor submitted as part of the enhanced debriefing process, which explained in detail various aspects of the agency’s evaluation. Protest at 15-16; Req. for Partial Dismissal, attach. 3, Resp. to Debriefing Questions.

Subsequently, in January 2026, Fluor filed a pre-filing notice with the Court of Federal Claims, alleging a PIA violation stemming from the disclosure of the pricing overview slide the previous October. COS at 7. The agency elected to take corrective action to include reinvestigating the alleged PIA violation.⁷ *Id.*

On February 12, the contracting officer initiated the PIA reinvestigation by sending letters of inquiry to the three offerors. COS at 7; AR, Tab 37, PIA Letter to Fluor, Feb. 12, 2026; AR, Tab 35, PIA Letter to STS, Feb. 12, 2026. In the letter to STS, the agency asked STS to respond to five items regarding the development of STS’s proposed cost/price. AR, Tab 35, PIA Letter to STS, Feb. 12, 2026. For example, the agency wrote:

If the release of the information **had no impact** on your decision to adjust, provide verifiable evidence (e.g., internal emails, draft financial models, meeting agendas dated *prior* to your receipt of competitive price information demonstrating[]) that the pricing strategy and the specific

⁷ The agency’s corrective action also included reevaluating the offerors’ technical proposals and making a new award decision, following a protest filed by Reliance with our Office. COS at 7 n.3, 8.

reductions that formed your final price were being actively contemplated and analyzed by your company *before* that date.

Id. The agency noted that the purpose of the inquiry was “to determine if and how your firm utilized this information in the development of your [final proposal revision].” *Id.*

As relevant here, STS began its response to the inquiry letter by stating that “the released initial proposal pricing was of negligible value for developing final proposal prices” because initial prices would be revised based on multiple other factors. AR, Tab 36, STS PIA Inquiry Resp. at 1. STS wrote that when it developed its initial proposal, STS knew it would need to reduce its proposed price if its proposal was included in the competitive range. *Id.* at 2. STS stated that in July 2025, the firm “decided to reduce our proposed fee, reduce our proposed escalation, and to reassess proposed costs for all cost elements that were within our ability to reduce,” but it had “not settled on the exact amount of reductions in the various cost categories by that time.” *Id.* at 2-3. With respect to the impact of the disclosure on STS’s proposed cost/price, STS wrote that it considered the slide in accordance with the agency’s instructions,⁸ the “information was but one of multiple factors” considered in preparing the final proposal, and STS elaborated:

Because the Government issued the slide before our cost/price revisions were complete, it is impossible to quantify what impact the slide had on our proposed [final proposal revisions] cost/price. We also have no way to quantify the impact of the slide on any particular cost element or fee contained in our [final proposal revisions] cost/price.

Id. In response to the Air Force’s request for evidence regarding price reductions considered prior to the disclosure, STS stated it had not located written documentation memorializing specific cost/price reductions. *Id.* at 4.

Subsequently, in March 2026, while the PIA reinvestigation was ongoing and in response to a request for additional information from the contracting officer, STS submitted a declaration from a company representative with additional explanations for the reductions, along with supporting exhibits. AR, Tab 41, STS Decl. ¶¶ 6-15; AR, Tab 30, PIA Reinvestigation Report at 6. For example, STS’s representative explained that the company had planned to reduce its proposed award fee when STS submitted the firm’s final proposal revisions, as shown in notes from a meeting held in September 2025, but STS did not finalize its proposed fee until after receipt of the pricing overview slide. AR, Tab 41, STS Decl. ¶¶ 6-10. As an additional example, STS stated that the firm decided to reduce the proposed escalation rate for labor from [DELETED] percent

⁸ Reflecting the Air Force’s prior statement that offerors may consider the pricing information in developing their final proposals, STS wrote: “[w]e presume [our competitors] also reviewed, considered, and were influenced by the same information.” AR, Tab 36, STS PIA Inquiry Resp. at 3.

to [DELETED] percent, citing projections from the Federal Open Market Committee. *Id.* ¶ 12.

In the inquiry letter to Fluor, the agency asked the protester about its decision not to adjust its proposed cost/price in its final proposal revisions. AR, Tab 37, PIA Letter to Fluor, Feb. 12, 2025. For example, the letter stated: “[t]he record indicates that Fluor did not change its price in its [final proposal revisions]. Please explain the business rationale and the factors that led to the decision to submit [final proposal revisions] with no change to your price, despite the disclosure of competitor pricing.” *Id.* In its response, Fluor reiterated its position that the agency’s decision to disclose the offerors’ TEPs was not supported by any legal authority. AR, Tab 38, Fluor PIA Inquiry Resp. at 2-3. Fluor continued: “[a] procuring agency cannot remediate an inadvertent disclosure by violating the Procurement Integrity Act.” *Id.* at 3. With respect to Fluor’s decision not to adjust its price, Fluor wrote: “Fluor did not believe the Agency had the authority to ignore or contravene the PIA. Therefore, Fluor decided not to revise its proposal in order to eliminate any question as to whether it relied on the improperly disclosed information for its [final proposal revision].” *Id.* at 4.

The contracting officer reviewed the offerors’ responses and the other investigation findings and prepared a report concluding that no “prejudicial violation” of the PIA occurred.⁹ AR, Tab 30, PIA Reinvestigation Report at 24. In reaching this conclusion, the contracting officer cited to “the solicitation’s pricing architecture and the nature of the disclosed information,” and wrote: “[t]he procurement was intentionally designed to minimize price as the primary competitive differentiator, and the disclosed TEP slide did not reveal competitively useful proprietary strategy.”¹⁰ *Id.* at 12. The contracting officer elaborated that the disclosed information was of limited value, as the pricing overview slide contained agency-calculated summary information, and not “raw, offeror-generated proposal data.” *Id.* at 12-13.

Relevant here, the contracting officer considered the explanations that STS provided for the firm’s price reductions and wrote: “STS’s final price reduction was the result of a deliberate, pre-planned business strategy and was not materially influenced by the

⁹ Although the RFP was issued under the codified version of the FAR, the agency cited to the Revolutionary FAR Overhaul (RFO) when discussing the PIA reinvestigation. See, e.g., AR, Tab 30, PIA Reinvestigation Report at 3-4, 6, 14-15, 21-23; AR, Tab 54, Head of Contracting Activity Memorandum. Our Office asked the agency to clarify the discrepancy, and in response, the agency states that the FAR applies to this procurement, and because “the RFO did not substantively change the relevant provisions . . . application of the FAR will not impact the analysis of the PIA related protest grounds.” Agency Resp. to GAO. The protester and intervenor do not express any disagreement with the agency’s position.

¹⁰ The contracting officer noted the RFP included fixed labor hours and categories, mandatory minimum labor rates, government-provided plug numbers, and a minimum award fee. AR, Tab 30, PIA Reinvestigation Report at 12.

accidental disclosure of competitor pricing information.” AR, Tab 30, PIA Reinvestigation Report at 20. The contracting officer acknowledged that STS had stated that it was “impossible to quantify” the impact of the disclosure, and then he concluded that STS’s “consistent narrative is that their price reduction was a proactive and strategic business decision, not a reaction to gaining a competitive advantage from the price disclosure.” *Id.* at 21.

As for the decision to provide the pricing information to all offerors, the contracting officer wrote that the “symmetrical disclosure of the same information to all offerors--was the most rational and equitable course available,” and “[b]y ensuring that all competitors possessed identical information prior to submission of Final Proposal Revisions, the Contracting Officer eliminated any potential informational asymmetry and restored the level playing field that is fundamental to a negotiated procurement.” *Id.* at 25. The contracting officer wrote that although the disclosure was “a regrettable procedural error,” the integrity of the procurement had been preserved by providing the information to all offerors.¹¹ *Id.* at 24-25.

The Air Force reevaluated the offerors’ proposals--including a cost realism evaluation of STS’s cost changes--and evaluated the final proposal revisions as follows:

	Fluor	STS
Technical		
Management Approach	Outstanding	Outstanding
Technical Sustainment & Modernization	Outstanding	Outstanding
Staffing Plan	Outstanding	Outstanding
Transition	Good	Good
Subcontracting	Acceptable	Acceptable
Total Evaluated Price¹²	\$1,895,124,888	\$1,868,802,857

¹¹ On April 1, the senior contracting official (SCO) reviewed the contracting officer’s determinations, and although he disagreed with the contracting officer’s conclusion that the intentional disclosure of the pricing overview slide did not impact the procurement, as it was impossible to ascertain the extent of the price reductions offerors made after the disclosure, the SCO did not conclude that the integrity of the procurement had been compromised. AR, Tab 53, SCO Determination and Findings at 7. On May 1, the head of the contracting activity reviewed the investigation findings and determinations, and he concluded that although a PIA violation occurred, the integrity of the procurement was not compromised. AR, Tab 54, Head of Contracting Activity Memorandum. The head of the contracting activity advised the contracting officer to continue with the procurement. *Id.*

¹² The agency did not make any cost adjustments to either offeror’s proposal. AR, Tab 28, Source Selection Decision (SSD) at 19.

AR, Tab 55, Notice of Award & Debriefing at 1.

The source selection authority (SSA) reviewed the SSEB's evaluation findings, as well as a comparative analysis report prepared by the source selection advisory council. *See generally* AR, Tab 28, SSD at 4-18. After reviewing the evaluation findings, the SSA wrote that "[t]he technical advantages offered by STS presents the best overall value when compared to both the higher priced Fluor" and the proposal from Reliance. *Id.* at 23. The SSA selected STS's proposal for award. *Id.*

On June 15, the Air Force notified Fluor that its proposal had not been selected for award, and award had been made to STS. AR, Tab 55, Notice of Award & Debriefing at 1. After requesting and receiving a debriefing, Fluor filed this protest.

DISCUSSION

Primarily, Fluor argues that the agency unreasonably concluded that the integrity of the procurement was not impaired by the agency's disclosure of the pricing overview slide to the offerors.¹³ Fluor also challenges various aspects of the agency's evaluation, including the cost realism evaluation and the evaluation of the offerors' professional employee compensation plans. As set forth below, we sustain the protest of the Air Force's determination that disclosure of the pricing overview slide did not impact the integrity of the procurement because the agency's conclusion is not supported by the record. We have reviewed Fluor's remaining allegations, and while our decision does not specifically discuss each of the protester's various contentions, we have considered all of Fluor's arguments and find none provides a separate basis to sustain the protest.

The Agency's Response to the Pricing Disclosure

We first address Fluor's allegation that the Air Force unreasonably concluded that the disclosure did not impact the integrity of the procurement or prejudice Fluor.¹⁴ Protest at 26-32; Comments at 4-25.

¹³ As a corollary argument, Fluor also complains that the agency's disclosure of the pricing overview slide to all of the offerors in October 2025 was inconsistent with the PIA and the FAR, asserting: "nothing in the law allows the Agency to remedy an inadvertent disclosure of source selection and contractor bid information by engaging in a further, knowingly made disclosure of that information." Protest at 24-26; *see also* Comments at 19-21. The Air Force does not dispute that the intentional disclosure constituted a PIA violation. MOL at 7 (citing AR, Tab 54, Head of Contracting Activity Memorandum). In light of the parties' agreement that a PIA violation occurred, we dismiss the allegation as academic, as our Office will not render what would be, in effect, an advisory opinion. *See, e.g., Ferris Optical*, B-403012.2, B-403012.3, Oct. 21, 2010, at 2.

¹⁴ In a related argument, Fluor contends that STS improperly used the disclosed pricing information to prepare its final proposal. Comments at 4-6. This argument is untimely. Our Bid Protest Regulations contain strict rules for the timely submission of protests.
(continued...)

To summarize the background above, after the agency inadvertently sent the pricing overview slide to Reliance, the contracting officer elected to mitigate the disclosure by providing the pricing overview slide to all of the offerors and advising the offerors they could consider the disclosed information in their final proposals. AR, Tab 22, Letter to Fluor, Oct. 3, 2025. When STS submitted its final proposal, it reduced its proposed cost/price by approximately \$72 million--as a result, while STS initially proposed the highest TEP, it then proposed the second highest TEP, below Fluor. COS at 6. The Air Force requested information from STS about the bases for its cost deductions, considered the information provided by STS, as well as the other information obtained in the PIA reinvestigation, and determined that the disclosure did not compromise the integrity of the procurement. AR, Tab 30, PIA Reinvestigation Report at 20-21, 24; see also AR, Tab 54, Head of Contracting Activity Memorandum (further determining that a PIA violation occurred). Pertinent here, the Air Force found that STS's pricing reductions reflected independent, pre-existing business strategy, and were not materially influenced by the disclosure. AR, Tab 30, PIA Reinvestigation Report at 20-21, 24.

An agency's disclosure of another contractor's proprietary or confidential information may create an unfair advantage affecting the integrity of a competition. See FAR 3.104-7(a). The disclosure of proprietary or source selection information to an unauthorized person during the course of a procurement is improper. FAR 3.104; *Propel Sols., LLC*, B-424189, B-424189.2, Mar. 25, 2026, at 7. Where an agency inadvertently discloses an offeror's proprietary information or source selection information, the agency may take remedial steps, including canceling the procurement, if it reasonably determines that the disclosure harmed the integrity of the procurement process. *Propel Sols., supra*; *Ocean Ships, Inc.*, B-401526.4, Apr. 21, 2010, at 3. Where an agency chooses not to cancel the procurement after such a disclosure, we will sustain a protest based on the improper disclosure only where the protester demonstrates that the recipient of the information received an unfair advantage, or that

Under these rules, protests based on alleged solicitation improprieties that are apparent prior to the deadline for submitting proposals must be filed before that deadline.

4 C.F.R. § 21.2(a)(1). Generally, a protest allegation that challenges the ground rules that the agency has announced during discussions is analogous to a challenge to the terms of a solicitation and also must be filed prior to the deadline for submitting revised proposals. See *Solution One Indus., Inc.*, B-409713.3, Mar. 3, 2015, at 5 n.3 (dismissing challenge to language permitting final proposal revisions during discussions as untimely); see also *Microgenics Corp.*, B-419470, Feb. 2, 2021, at 8-9. Here, as noted above, when the agency provided the pricing overview slide to the offerors, the agency stated they could consider the information in developing their final proposal revisions, due on October 16. AR, Tab 22, Letter to Fluor, Oct. 3, 2025. To the extent that the protester believed that instruction was improper, and offerors should not be permitted to make price adjustments during discussions, Fluor was required to file a protest prior to the closing time for final proposals, which it did not.

it was otherwise competitively prejudiced by the disclosure. *Associated Energy Grp., LLC*, B-420857.6, B-420857.7, Jan. 10, 2024, at 10.

The protester disputes the agency's conclusion that the disclosure did not compromise the integrity of the procurement, arguing "[t]here is no question that the Agency's conduct impaired the integrity of the procurement and impacted the source selection decision." Protest at 27. Fluor notes that although STS stated that the firm considered making price reductions before the disclosure, the awardee did not finalize the reductions until after receiving the pricing overview slide in October 2025. Comments at 4-9. The protester points to STS's statement that the firm could not quantify the impact of the disclosure and asserts: "[t]he evidence from STS' own hand is indisputable: the Agency's disclosure of the TEP slide impacted the competitive process, impaired the integrity of the procurement, and prejudiced Fluor." *Id.* at 9.

The Air Force responds that the agency reasonably determined that the disclosure did not impair the integrity of the procurement and it was reasonable to proceed with the procurement. MOL at 7-9, 13-14. The agency states that "[t]he reinvestigation established that STS did not rely on or alter its pricing strategy in response to the October 3, 2025, disclosure." *Id.* at 10-11. The Air Force continues: "declarations signed by the [chief executive officer] of STS's managing joint venture member demonstrated STS's final proposed price adjustments . . . had already been planned, drafted, and internally considered in July and September 2025, long before the TEP slide release, and were made independent of the release." *Id.* at 11.

Here, the record does not support the agency's determination that the disclosure of the pricing overview slide had no impact on STS's final proposed cost/price. As Fluor states, when the Air Force questioned STS about the price reductions, STS stated: "[w]hen the Government issued the slide, our cost/price reduction activities were underway but had not yet been completed." Comments at 5 (quoting AR, Tab 36, STS PIA Inquiry Resp. at 3). STS explained that it had decided to reduce its proposed fee, escalation, and proposed costs elements within its control. AR, Tab 36, STS PIA Inquiry Resp. at 2. STS wrote that it considered the pricing overview slide when it prepared its final proposal revisions, and that "it [was] impossible to quantify what impact the slide had." *Id.* at 3. STS reiterated: "[a]s noted above, we cannot ascertain what impact the released pricing slide had on our final cost/price, or on any adjustment we made to any cost element or fee." *Id.* at 4.

In other words, the record shows that STS had identified the elements that would be the focus of cost reductions prior to the disclosure, but STS had not determined the amount of the deductions. See AR, Tab 36, STS PIA Inquiry Resp. at 2-4. When the agency considered STS's explanations for the cost reductions as part of the PIA investigation, the Air Force centered its analysis on STS's statement that the firm started identifying areas for cost reductions prior to the disclosure, but the agency gave no meaningful

consideration to when STS finalized the adjustments to its proposed costs.¹⁵ AR, Tab 30, PIA Reinvestigation Report at 20-21. That was unreasonable given that the amount of the adjustments was what determined STS's proposed cost/price. In this context, the agency had no way to determine that the disclosure had no impact on STS's proposed cost/price.¹⁶ Indeed, given STS's position that "it [was] impossible to quantify what impact the slide had," AR, Tab 36, STS PIA Inquiry Resp. at 3, the agency's conclusion to the contrary--that there was no impact--strains credulity.

Of significance here, the reductions STS made--characterized by the agency as "valid corporate and accounting adjustments"--were matters of business judgment and not mandated by outside forces, *i.e.*, a wage determination or a finding from the Defense Contract Audit Agency. COS at 17. For example, STS reduced its direct labor escalation rate by [DELETED] percent, citing data that it elected to follow from the Federal Open Market Committee, resulting in a \$[DELETED] million reduction to its proposed cost/price. *Id.* at 11. As an additional example, in its final proposal revision, STS reduced its proposed award fee from [DELETED] percent to [DELETED] percent. *Id.* at 12. The awardee did not advance any explanations for these discretionary adjustments that can be divorced from the disclosure. See AR, Tab 30, PIA Reinvestigation Report at 20-21; AR, Tab 36, STS PIA Inquiry Resp. at 2-4; AR, Tab 41, STS Decl. ¶¶ 4-15. Accordingly, we find the agency's conclusion that STS's adjustments were pre-planned decisions unrelated to the disclosure to be without a reasonable basis.

Furthermore, we are not persuaded by the Air Force's argument that there was no unfair competitive advantage because "the intentional disclosure resulted in all offerors having the same information." MOL at 9. In other words, the agency's reliance on one disclosure (to all offerors) to mitigate an earlier disclosure (to one offeror) is unavailing and superseded by its commitment to reinvestigating the ultimate impact on the procurement. Moreover, notwithstanding the agency's statement that offerors could consider the disclosed information in developing their final proposal revisions, AR,

¹⁵ On this point, we note that it is unsurprising that STS would have already identified the cost elements that could be reduced given the agency's view that "[a] substantial majority of the total evaluated cost was fixed across the board" and "the Solicitation created constraints that limited price variability across proposals." MOL at 10. We also note that the solicitation contemplated the award of a cost-plus award fee contract, see RFP at 13-15; in this context, when an agency evaluates a proposal for the award of a cost-reimbursement contract, an offeror's proposed costs are not considered controlling because, regardless of the costs proposed, the government is bound to pay all actual, allowable costs. FAR 15.305(a)(1), 15.404-1(d); see *George G. Sharp, Inc.*, B-408306, Aug. 5, 2013, at 4 n.4.

¹⁶ We note that when the SCO reviewed the reinvestigation report, the SCO concluded that "[e]ach offeror likely made business decisions that were, at least in part, based upon information contained in the TEP slide." AR, Tab 53, SCO Determination and Findings at 7.

Tab 22, Letter to Fluor, Oct. 3, 2025, the fact remains that the agency disclosed the pricing information while the procurement was ongoing, and after the offerors had submitted their initial proposals. The offerors were not similarly situated when the information was disclosed, and the agency has not explained how providing the pricing information mid-procurement leveled the playing field as the Air Force suggests it did.

Finally, we also reject the Air Force's argument that the disclosed pricing information was not competitively useful because, according to the agency, "[t]here was no disclosure of direct labor rates, indirect rate structures, fee breakdowns, cost element detail, or proprietary methodologies." MOL at 9. For one, the agency's position is contradicted by the record where, as part of the PIA reinvestigation, the agency's statisticians were able to reverse engineer various cost elements from the disclosed information. See AR, Tab 30, PIA Reinvestigation Report at 9-10. Moreover, the disclosure resulted in each offeror knowing its relative position in the competition. The Air Force's assertion that pricing information was not competitively useful in a procurement where cost/price was a factor is implausible.

In sum, the record does not support the agency's conclusion that the disclosure of the pricing overview slide had no impact on the integrity of the procurement. Here, the agency improperly disclosed the offerors' pricing information first to one offeror and then to all of the offerors. Then, the agency committed to reinvestigating the impact of the disclosure on the procurement. When faced with the totality of the circumstances, we cannot conclude that the integrity of the procurement was preserved. Accordingly, we sustain the protest on that basis.

Evaluation of Professional Employee Compensation Plans

Based on our conclusion above and recommendation below, we need not address the remainder of Fluor's protest allegations challenging various aspects of the agency's cost realism evaluation as they are rendered academic. Generally, when an agency undertakes corrective action that will supersede and potentially alter prior procurement actions, our Office will decline to rule on a protest challenging the agency's prior actions on the basis that the protest is rendered academic. See, e.g., *Odyssey Sys. Consulting Grp., Ltd.*, B-418440.8, B-418440.9, Nov. 24, 2020, at 8; see also *American Tech. Sols., LLC--Recon.*, B-421585.5, July 25, 2023, at 3. Because we are recommending that the agency reconsider the impact of the disclosure and make a new award decision, we need not further consider the protest. Nonetheless, given the unique circumstances presented here, we address the timeliness of Fluor's protest of the Air Force's evaluation of the offerors' professional employee compensation plans. Fluor contends that the evaluation was inconsistent with the requirements of FAR provision 52.222-46, Evaluation of Compensation for Professional Employees.¹⁷ Protest at 36-37.

¹⁷ The provision requires that the agency evaluate an offeror's proposed professional compensation (salaries and fringe benefits) by considering its impact on recruiting and retention, its realism, and its consistency with a total plan for compensation.

(continued...)

Prior to the due date for the agency report, the Air Force requested dismissal of this protest ground, arguing the allegation was untimely because Fluor knew of the basis for the protest ground in January 2026, from its debriefing following the agency's first award to STS in December 2025, and Fluor did not challenge this aspect of the evaluation at that time. Req. for Partial Dismissal at 2-3. The agency also notes that when Fluor asked the agency about this aspect of the evaluation in that debriefing following the first award decision, the Air Force advised Fluor that all proposed rates were compared against historical rates. *Id.* at 3 (citing Req. for Partial Dismissal, attach. 3, Resp. to Debriefing Questions at 1). The Air Force notes that when it took corrective action in early 2026, it never indicated that it would reevaluate professional employee compensation plans, and there were no substantive changes to this aspect of the evaluation. *Id.*

Fluor responds that the protest ground is timely because prior to the most recent debriefing following the new award decision in June 2026, "Fluor had no concrete basis for asserting that the Agency had failed to compare offerors' rates to incumbent rates." Resp. to Req. for Partial Dismissal at 5. After reviewing the parties' submissions, we advised the agency that it need not address this protest ground in the agency report. Electronic Protest Docketing System No. 23. We address the dismissal of this allegation below.

As noted above, our regulations contain strict rules for the timely submission of protests. Under these rules, protests generally must be filed no later than 10 calendar days after the protester knew, or should have known, the basis of its protest, whichever is earlier. 4 C.F.R. § 21.2(a)(2). The fact that the agency made a new source selection decision (and provided the offeror with a debriefing concerning that decision) does not provide a basis for reviving otherwise untimely protest allegations concerning aspects of the agency's evaluation that were not subsequently affected by the agency's corrective action. *Synergy Sols., Inc.*, B-413974.3, June 15, 2017, at 7. Such unwarranted piecemeal presentation or development of protest issues undermines our goal of affording parties the opportunity to present their cases with the least disruption possible to the orderly and expeditious conduct of government procurements. *Id.*

Here, we are unpersuaded by the protester's assertions that it lacked a concrete basis to challenge the agency's professional employee compensation plan evaluation prior to June 2026. As the agency points out, the protester knew in January that the agency was using "historical rates"--as opposed to incumbent rates--as the basis for comparison in the evaluation. Req. for Partial Dismissal at 3; Req. for Partial Dismissal, attach. 3, Resp. to Debriefing Questions at 1. In addition, when the agency took

FAR 52.222-46(a). In addition, our Office has explained that if an agency resolicits a requirement in a follow-on procurement, FAR provision 52.222-46(b) requires the agency to compare the awardee's proposed professional compensation rates to the incumbent contractor's. *Systems Implementers, Inc.; Transcend Tech. Sys., LLC*, B-418963.5 *et al.*, June 1, 2022, at 25.

voluntary corrective action in February, the Air Force did not indicate that it would reevaluate the offerors' professional employee compensation plans. See Req. for Partial Dismissal, attach 4, Fluor Notice of Corrective Action.

Our review of the record shows that Fluor had all of the information needed to challenge the agency's professional employee compensation plan evaluation when the agency made the first award decision in December 2025 and gave Fluor a debriefing in January 2026, but the protester did not challenge this aspect of the agency's evaluation until after the agency re-awarded the contract to STS in June 2026. In other words, because Fluor did not file a protest challenging this aspect of the agency's evaluation within 10 days of the January 2026 debriefing, the protester cannot now timely challenge this issue. Accordingly, we dismiss the protest ground. 4 C.F.R. § 21.2(a)(2); see *Loyal Source Govt. Servs., LLC*, B-407791.5, Apr. 9, 2014, at 5-6 (dismissing challenge to agency's evaluation of compensation plans as untimely where the allegations were based on information that was known or should have been known to the protester from the agency record provided in response to the firm's earlier protest).

RECOMMENDATION

For the reasons discussed above, we find the agency's conclusion that the disclosure of the offerors' pricing information did not compromise the integrity of the procurement is not supported by the record. Accordingly, we recommend that the agency reasonably reconsider the impact of the pricing information disclosure and implement effective mitigation measures, for example, including but not limited to: reevaluating the offerors' pre-disclosure initial proposals and making a new award decision on the basis of those proposals; or canceling the solicitation and resoliciting the agency's requirement in a manner that restores the integrity of the procurement. We also recommend that the agency reimburse the protester's reasonable costs associated with filing and pursuing the protest, including attorneys' fees. 4 C.F.R. § 21.8(d)(1). The protester's certified claim for costs, detailing the time expended and costs incurred, must be submitted to the agency within 60 days after receipt of this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained in part and dismissed in part.

Edda Emmanuelli Perez
General Counsel