U.S. GOVERNMENT ACCOUNTABILITY OFFICE
441 G St. N.W.
Washington, DC 20548
Comptroller General
of the United States

Decision

Matter of: Castro & Company, LLC

File: B-424145.2

Date: November 9, 2026

Gabriel Fry, for the protester.
Tevin J. Frederick, Esq., Department of Transportation, for the agency.
Sarah T. Zaffina, Esq., and Alexander O. Levine, Esq., Office of the General Counsel, GAO, participated in the preparation of the decision.

DIGEST

Protest challenging evaluation of protester's technical proposal is sustained where the agency's negative findings are not supported by the solicitation's evaluation criteria or the contents of the protester's proposal.

DECISION

Castro & Company, LLC, a small business located in Alexandria, Virginia, protests the issuance of a call order to Guidehouse, Inc., of Alexandria, Virginia, under request for proposals (RFP) No. WC2025M70WCSK0003, by the Department of Transportation (DOT), Office of the Secretary (OST), for internal controls services. The protester argues that the agency's evaluation and award decision were unreasonable.

We sustain the protest.

BACKGROUND

On July 25, 2025, the agency issued an RFP in accordance with Federal Acquisition Regulation (FAR) subpart 8.4 to all four contract holders of the Federal Railroad Administration multiple-award blanket purchase agreement.[1] Agency Report (AR)

[1] The RFP was amended one time. As relevant to the protest, references to the RFP are to the amended solicitation. In addition, the solicitation and various documents in the agency report use the terms quotation and proposal interchangeably. The distinction between the terms has no bearing on our analysis of the issues presented;

(continued...)

Tab 2, RFP at 1; AR, Tab 8, Memorandum for Record--Revision 1.0 at 2; *see also* Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 2. The RFP was issued to acquire internal controls services for OST to comply with Office of Management and Budget Circular A-123 and the Federal Managers Financial Integrity Act, which requires documenting and testing of internal controls related to "financial, business process, policy, operations, and systems within DOT and its supporting agencies" to ensure the integrity of the data held within the OST. RFP at 3. The RFP contemplated the issuance of a single, fixed-price call order with ten tasks to be performed during a 12-month period of performance. *Id.* at 1, 3-11. The solicitation also included a 6-month extension period in accordance with FAR clause 52.217-8, Option to Extend Services (Nov. 1999), and provided that award would be made to the responsible offeror whose proposal was the most advantageous to the government. *Id.* at 20, 26.

The RFP provided that the agency would evaluate proposals using a best-value tradeoff analysis considering the following factors, in descending order of importance: (1) technical approach; (2) key personnel and management approach; and (3) price. *Id.* at 24, 26. The RFP informed offerors that non-price factors, when combined, were significantly more important than price. *Id.* at 24. The solicitation also informed offerors that non-price factors would be evaluated and assigned a rating of either high, some, or low confidence to be used in the best-value determination. *Id.* at 25-26.

For the evaluation of price, the RFP provided that the base year and the extension option year would be added together to calculate the total price and that the proposed prices would be "evaluated but not rated." *Id.* at 24-25. The agency would review price proposals for completeness and accuracy and then evaluate proposals "based on cost analysis, price reasonableness and comparison with the independent government estimate." *Id.* at 25. Further, the solicitation provided that the agency would deem proposals with "unrealistic" technical approaches, or "unrealistically low" prices, to lack technical competency and as failing to understand the complexity of the call order requirements such that the offeror might be eliminated from the competition. *Id.* The RFP also provided that price proposals would be evaluated for price risk and "[w]here risk is assessed, it may be described in qualitative terms or used as a best-value discriminator."[2] *Id.* at 25-26.

The RFP notified offerors that the best-value determination would be based on a tradeoff analysis in accordance with FAR provision 15.101-1. *Id.* at 26. The solicitation advised that the agency might assign overall confidence ratings and/or conduct a

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our decision refers to the submission of proposals by offerors for consistency. Citations to the record use the Adobe PDF pagination of the documents produced.

[2] The RFP defines price risk as "any aspect of a contractor's proposal that could have significant negative cost consequences for the Government." RFP at 25.

comparative analysis to conduct the tradeoff. *Id.* The RFP also notified offerors that the call order might not be issued to the lowest-priced proposal or the highest-rated technical proposal. *Id.* at 24, 26.

The agency received timely proposals from four offerors, including Castro and Guidehouse, and after evaluating proposals, the agency issued the call order to Guidehouse on September 26, 2025. COS/MOL at 3. After receiving a notice of award and a brief explanation, Castro protested the award with our Office.[3] *Id.* Subsequently, we dismissed the protest as academic after the agency represented that it would reevaluate proposals and make a new source selection decision. *See Castro & Co., LLC*, B-424145, Dec. 29, 2025 (unpublished decision).

After reevaluating proposals, the agency assigned the following confidence ratings to the proposals of Castro and Guidehouse:

Offeror	Technical Approach	Key Personnel & Management Approach	Overall Rating	Price
Castro	Some	Low	Some	$649,400
Guidehouse	High	High	High	$723,086

AR, Tab 8, July 2026 Memorandum for Record at 3-4. In evaluating proposals, OST did not identify strengths, weaknesses, or deficiencies; instead, the agency conducted an integrated analysis of technical and price proposals and conducted a price assessment.[4] *See id.* at 4-5.

In considering Castro's proposal, the contracting officer, who was the source selection authority, assigned an overall rating of some confidence, finding that the "price savings are offset by high performance risk." *Id.* at 5. Specifically, the contracting officer found that Castro's failure to include resumes for surge staff failed to meet the solicitation requirement to "provide resumes for all staff necessary to perform the work." *Id.*

[3] The agency did not stay contract performance because Castro did not file this protest within the mandatory deadline required to trigger an automatic stay under the Competition in Contracting Act. 31 U.S.C. § 3553(d)(4)(A)(ii); *see also* COS/MOL at 3, 15; AR, Tab 12, Brief Explanation of Award at 1.

[4] No protective order was issued in this matter because the protester proceeded without counsel. A full version of the agency report was provided to our Office, while a redacted version was furnished to the protester. We have reviewed the entire record. As much of the information reviewed by our Office is source selection sensitive or proprietary in nature, our discussion of some aspects of the procurement is necessarily general in nature.

For the best-value determination, the contracting officer reviewed the technical evaluation panel's (TEP) comparative price/technical tradeoff analysis and its recommendation to award the call order to Guidehouse. COS/MOL at 6; AR, Tab 8, July 2026 Memorandum for Record at 8-10. Guidehouse was the highest-rated technical proposal and the second lowest-priced proposal.[5] COS/MOL at 5-6; *see* AR, Tab 8, July 2026 Memorandum for Record at 3-4, 9. The agency found that "[t]he technical advantages of Guidehouse's proposal were deemed to outweigh the marginal cost savings offered by lower-priced [offeror] Castro," whose proposal received lower confidence ratings under the non-price factors. AR, Tab 8, July 2026 Memorandum for Record at 8. The award decision specifically identified the above concerns in Castro's technical proposal and concluded that Guidehouse's proposal presented "significantly lower risk as compared to Castro." *Id.* The agency further determined that Guidehouse's price proposal was fair and reasonable, demonstrated understanding of the technical requirements, and was within the government's cost estimate, and therefore warranted the minimal price premium over Castro's proposal. *Id.* at 9.

The agency reaffirmed the award to Guidehouse and on July 23, 2026, OST issued Castro a notification of the result of the reevaluation and a brief explanation of the agency's award decision.[6] *See* AR, Tab 9, Notice of Reevaluation Results and Brief Explanation. On August 3, Castro filed this protest.

On August 12, "the [a]gency and Guidehouse executed a bilateral six-month extension, pursuant to Revolutionary FAR Overhaul 43.203(a)" to extend the contract through March 25, 2027. Agency Resp. to GAO Req. for Update, Sept. 28, 2026, at 1-2.

DISCUSSION

The protester raises several challenges to the agency's evaluation and best-value determination. In this regard, Castro challenges each evaluation finding of decreased confidence assessed against the firm's technical proposal. Protest at 7-10. Castro also

[5] The award decision documented the comparative analysis between the technical proposals of Guidehouse and Offeror A, both of which were assigned ratings of high confidence. AR, Tab 8, July 2026 Memorandum for Record at 8. The contracting officer looked beyond the adjectival ratings assigned to the two proposals and concluded that Guidehouse's proposal offered technical advantages and, therefore, was technically superior to Offeror A's proposal. *Id*.

[6] The agency identified this document as a debriefing; however, the requirement to provide a debriefing under the competitive procurement procedures of FAR part 15 does not apply here because this procurement was conducted under FAR subpart 8.4. FAR 8.405-3(b) (requiring agencies to provide a "brief explanation of the basis" for award). To be consistent with the procurement regulations, we refer to this document as a brief explanation.

challenges the agency's price evaluation, which included a finding that Castro's price proposal was materially non-compliant. *Id.* at 10-12. Castro further contends that the agency's best-value determination was unreasonable. *Id.* at 13-14. For the reasons that follow, we sustain the protest because the record does not show that the agency had reasonable bases for its evaluation findings.[7]

In reviewing protests of an agency's evaluation and source selection decision, our Office will not reevaluate proposals; rather, we review the record to determine whether the evaluation and source selection decision are reasonable and consistent with the solicitation's evaluation criteria, and applicable procurement laws and regulations. *See NCI Info. Sys., Inc.*, B-412870.2, Oct. 14, 2016, at 11. While we will not substitute our judgment for that of the agency, we will sustain a protest where the agency's conclusions are inconsistent with the solicitation's evaluation criteria, undocumented, or not reasonably based. *DRS ICAS, LLC*, B-401852.4, B-401852.5, Sept. 8, 2010, at 5.

Technical Evaluation

Castro contends that the agency's evaluation under the key personnel and management approach factor was unreasonable because OST found that Castro omitted required key personnel resumes. Protest at 9-10. The agency responds that OST was unable to assess the merits of Castro's proposed staff because of these proposal omissions which introduced a "high-risk level" to Castro's proposal. COS/MOL at 15-18. As explained below, we find that the agency's evaluation is not reasonably supported by the record.

It is a fundamental principle that agencies must evaluate proposals in a manner consistent with the terms of the solicitation and, while the evaluation of offerors' proposals generally is a matter within the procuring agency's discretion, our Office will question an agency's evaluation where it is unreasonable, inconsistent with the solicitation's stated evaluation criteria, or undocumented. *See Guidehouse Inc.*, B-421227.2, B-421227.3, Aug. 26, 2024, at 5-6; *Exelis Sys. Corp.*, B-407111 *et al.*, Nov. 13, 2012, at 5.

Here, the RFP explained that key personnel would be essential to the contract but neglected to specify what positions would be designated as key personnel, instead providing

> The key personnel under this contract are:
>
> [*Contracting Officer insert specified key personnel*]
> **TBD**

[7] The protester raised other collateral arguments. While we do not address in detail every argument the protester raised, we have reviewed each issue and find that, aside from those discussed below, none provides a basis to sustain the protest.

(End of clause)

RFP at 14-15. The RFP also instructed offerors to "provide sufficient information" within the established page limits "for the [g]overnment to assess its level of confidence that the [offeror has the] proposed staffing qualifications/skillsets to meet the requirement" and provide a "rationale to support the selection of the skillsets (how they relate to the requirement)." *Id.* at 21. The solicitation notified offerors that the government would evaluate each offeror's "proposed management tools, personnel labor mix, [and] staffing plan, including [k]ey [p]ersonnel." *Id.* at 25. In this connection, the solicitation directed offerors to "identify and provide [k]ey [p]ersonnel resumes for personnel sufficient to perform the work with demonstrated experience, skill and education commensurate with the requirements identified in the [statement of work (SOW)]." *Id.* The RFP informed offerors that a contract could not be executed with the successful firm unless all key personnel were assessed prior to award and that the "[f]alse representation of [k]ey [p]ersonnel" may lead to contract termination. *Id.*

The solicitation did not identify specific key personnel required for contract performance. As noted above, the RFP indicated "TBD" for key personnel and charged the contracting officer with completing this portion of the solicitation; however, no key personnel were identified in the RFP. RFP at 14-15. In response to questions about key personnel, OST clarified that offerors were "expected to identify their key personnel to meet the SOW requirements." AR, Tab 3, RFP Questions and Answers (Q&As) at 5 (question no. 21).

Castro identified three individuals--Mr. A, Mr. B, and Ms. C--as key personnel in its technical proposal.[8] AR, Tab 4, Castro Technical Proposal at 6, 13-14, 17-24. These individuals were identified in Castro's technical approach section, as well as the key personnel and management approach section and the appendix, which described their contract responsibilities and included the resumes of the three individuals. *Id.* Castro proposed Mr. A as the program manager who is the executive lead; Mr. B as the information technology subject matter expert; and Ms. C as the project manager who oversees day-to-day performance of active tasks. *Id.* at 6, 14. Castro's proposal also described its staffing plan, which included different levels of auditors and surge resources, and detailed the responsibilities and SOW skillsets for the applicable labor categories for these personnel. *Id.* at 14-15.

Even though the TEP identified Castro's proposed key personnel as a point that increased confidence because the identified individuals possessed "demonstrated experience and qualifications commensurate with the requirements of the SOW," OST assigned Castro a rating of low confidence under the key personnel and management

[8] GAO used pseudonyms to preserve the confidentiality of individuals identified in proposals.

approach factor. AR, Tab 6, Technical Evaluation Report at 11. As relevant here, the TEP found that Castro omitted resumes for its surge staff in "violation" of the solicitation requirements, which impaired the agency's ability to assess the merits of the proposed staff and introduced a high risk to performance. *Id.*

The protester argues that the agency's evaluation is inconsistent with the solicitation requirements and with the contents of the firm's proposal. Protest at 9-10; Comments at 18-19. In this connection, Castro points out that the solicitation did not identify key personnel and that offerors were permitted to choose their own key personnel. Comments at 18-19. Castro also contends that the solicitation did not require resumes for staff that were not key personnel and therefore, Castro was not required to provide resumes for its surge staff. Protest at 10; Comments at 19.

OST responds that the proposal failed to include required information that impacted the agency's evaluation under the key personnel and management approach factor. COS/MOL at 16. The agency argues that Castro proposed five individuals, including Mr. A, Mr. B, and Ms. C, as well as Ms. D and Mr. E, as "high level key personnel to the project" but only provided resumes for four of the individuals, Mr. A, Mr. B, Ms. C, and Ms. D. *Id.* (citing AR, Tab 4, Castro Technical Proposal at 6).

The agency also asserts that the protester's proposal stated that Castro would "deploy surge resources, who are already DOT cleared, including" Mr. E, Mr. F, Ms. G, and Ms. H, but failed to include any resumes for these individuals or any other surge staff. *Id.* at 16 (citing AR, Tab 4, Castro Technical Proposal at 12). The TEP found that surge sources were required to perform the work and that omitting surge staff resumes inserted a high level of risk to Castro's proposal because the agency could not fully assess the proposed staff without the resumes. *Id.* In this regard, the agency argues that the RFP "required [o]fferors to provide resumes of staff who are sufficient to complete the work" and that the TEP was "well within its discretion to determine that the surge staff was necessary to complete the SOW" because Castro stated in its proposal that it would "deploy surge resources" to ensure Castro's ability to meet the accelerated performance deadline. *Id.* at 17.

Where a dispute exists as to a solicitation's actual requirements, we begin by examining the plain language of the solicitation. *Point Blank Enters., Inc.*, B-411839, B-411839.2, Nov. 4, 2015, at 4. We resolve questions of solicitation interpretation by reading the solicitation as a whole and in a manner that gives effect to all provisions; to be reasonable, and therefore valid, an interpretation must be consistent with such a reading. *Desbuild, Inc.*, B-413613.2, Jan. 13, 2017, at 5. If the solicitation language is unambiguous our inquiry ceases; an ambiguity exists, however, where two or more reasonable interpretations of the solicitation are possible. *Id.*

Based on our review of the contemporaneous record, we find that the agency unreasonably evaluated Castro's proposal under the key personnel and management approach factor. As noted above, the solicitation required offerors to choose their own key personnel and provide resumes for those individuals. Castro clearly identified

Mr. A, Mr. B, and Ms. C as key personnel and included their resumes in their technical proposal. AR, Tab 4, Castro Technical Proposal at 6, 14, 17-24. These three individuals were the only key personnel identified in Castro's proposal and the only three individuals for which Castro submitted resumes. *Id.* Notably, Castro did not identify any surge resources as key personnel in its proposal and did not even submit the names of surge staff resources in the key personnel and management approach section of its proposal. While the agency contends that Ms. D and Mr. E were key personnel, Castro never identifies them as key personnel in its proposal.[9] Indeed, the record shows that Mr. E is identified only in the technical approach section of Castro's proposal and his name appears nowhere in the key personnel and management approach section. *See* AR, Tab 4, Castro Technical Proposal at 6, 13-16.

Moreover, the TEP was mistaken about the plain language of the solicitation. Nowhere in the solicitation did it say that offerors were required to provide resumes for all "personnel sufficient to perform the work," AR, Tab 6, Technical Evaluation Report at 11. Instead, the evaluation criteria states that "[t]he contractor's technical proposal shall identify and provide Key Personnel resumes for personnel sufficient to perform the work with demonstrated experience, skill and education commensurate with the requirements identified in the SOW." RFP at 25. While the RFP also provided that the agency would evaluate the offerors' staffing plans and personnel labor mixes in the key personnel and management factor, the solicitation did not require offerors to identify individuals or provide resumes for non-key personnel. The agency urges an interpretation of the solicitation requiring surge staff resumes that is unreasonable based on the terms of the solicitation.[10] COS/MOL at 16.

To read the above sentence as requiring that all personnel "sufficient to perform the work" were to be named as key personnel (as the agency appears to be doing) would,

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[9] OST's response to the protest is factually incorrect with regard to Ms. D. Contrary to the agency's contention, Castro did not include a resume for Ms. D in its proposal; rather, Castro explained Ms. D's roles and responsibilities for this call order. *Compare* AR, Tab 4, Castro Technical Proposal at 14 (table with Castro's proposed project roles and responsibilities), *with id.* at 17-24 (appendix with key personnel resumes).

[10] In the COS/MOL, the agency names specific individuals related to surge staff in Castro's proposal to bolster its position that surge staff resumes should have been submitted in the proposal. To that end, the agency points out missing resumes from Mr. E, Mr. F, Ms. G, and Ms. H, who are surge staff individuals named in the technical approach section--not the key personnel and management approach section at issue here. *See* AR, Tab 4, Castro Technical Proposal at 12. The contemporaneous record does not indicate that the TEP considered specific individuals, or those identified in the technical approach, in its key personnel and management approach evaluation. As such, we find any argument that the TEP considered these individuals, in particular, to be a *post-hoc* rationalization, with no support in the contemporaneous record, and therefore deserving of little weight. *RemedyBiz*, Inc, B-421196, Jan. 17, 2023, at 9.

in effect, require almost all contract personnel to be designated as key personnel. The solicitation, when read as a whole, does not support such a reading; nor would a reasonable offeror be able to anticipate this requirement. In this regard, the solicitation anticipated that key personnel would be those personnel "considered essential to the work being performed under this contract," RFP at 14, but left it up to offerors to identify these personnel, AR, Tab 3, RFP Q&As at 5 (question no. 21). Further, the solicitation did not contain any indication that providing surge personnel was essential to contract performance, and meeting surge requirements received no specific emphasis within the SOW tasks. *See* RFP at 3-10. Accordingly, the agency's evaluation was unreasonable and we sustain this protest ground.

Price Evaluation

The protester also argues that the agency improperly evaluated Castro's price proposal by finding it materially non-compliant with the solicitation instructions. Protest at 10-11; Comments at 19-20. In this connection, Castro asserts it proposed a single fixed price for fiscal years 2025 and 2026 as required by the RFP and separately provided a breakdown of the SOW tasks by fiscal year. Protest at 10-11; Comments at 19-20.

By way of background, the RFP instructed offerors to submit a price proposal that included "at a minimum, all costs by task under [the] SOW" for "labor rates/categories; proposed labor categories; other direct costs; and travel." RFP at 22-23. The RFP included a table with an estimated level of effort breakdown by task and hours. *Id.* at 23. As noted above, the RFP provided that proposed prices would be evaluated but not rated "based on cost analysis, price reasonableness and comparison with the independent government estimate." *Id.* at 25. Notably, the solicitation instructions and the evaluation criteria did not require offerors to propose a single fixed price. However, the solicitation included a section titled, "SUPPLIES OR SERVICES AND PRICES/COST," that stated

> This is a Firm Fixed Price Call Order in the amount of $ _____ . Funding in the amount of $ _____ is provided at award.
>
> Orders shall include a Firm Fixed Rate for each CLIN listed inside the price schedule below:

CLIN	CLIN Descriptions	Hours	Cost
0001	Task 1 – Appendix A – Entity Level Controls Assessment		$
0002	Task 2 – Appendix A – [Test of Design/Test of Effectiveness		$
0003	Task 3 – Appendix A -Ssae-18 Assessment		$
0004	Task 4 – Appendix A – Data Act		$
0005	Task 5 – Appendix A – Process Level Risk Assessment		$

0006	Task 6 – Appendix B – Charge Cards		$
0007	Task 7 – Federal Manager's Financial Integrity Act		$
0008	Task 8 – Corrective Action Plan Monitoring and Testing		$
0009	Task 9 – Program and Project Management		$
0010	Task 10 – Fraud Risk Management		$
	Total		**$**

RFP at 3. The agency indicated that offerors were to complete this table at a summary level as well as to "provide [a] breakdown by tasks and other requirements" as specified in the price proposal instructions. AR, Tab 3, RFP Q&As at 4-5 (agency answers to question nos. 18 and 19 regarding table formatting.); *see also* RFP at 21 (instructions about price volume submissions).

Castro's price volume states, "Castro proposes a total [f]irm [f]ixed [p]rice of $649,400 based upon individual task area estimates" and includes a completed version of the table above. AR, Tab 5, Castro Price Proposal at 6, 11 (providing a filled-in version of the table above in a second place in the proposal). Castro's proposal also included additional price breakdown tables that provided detailed information about labor categories, hours, total price per labor category, subtotals by SOW task, and the applicable fiscal year. *Id.* at 7-9; 11-16. Further, Castro stated that its proposal was valid for 90 calendar days from the day the government received the proposal. *Id.* at 2.

The TEP found that "Castro failed to submit a single, complete price for the required scope" and instead submitted pricing subdivided by fiscal year. AR, Tab 7, Price Evaluation Report at 2. In this regard, the TEP found that Castro proposed two prices: "$581,354 for tasks they determined to be explicitly defined in the SOW, and a total of $649,400 which included four extra task components they unilaterally added for [fiscal year] 2026." *Id.* The TEP also assessed Castro's price proposal as having a high performance and operational risk based on staffing uncertainty. *Id.* The TEP found that Castro's proposed pricing was conditional upon the contract start date being "within two weeks of August 8, 2025," which evaluators deemed a material non-compliance with the solicitation. *Id.* Specifically, the TEP found that Castro's total proposed price and "[w]eighted [b]lended [r]ate" for labor was based on Castro's narrow two-week window for the contract start date. *Id.*

OST argues that its evaluation of Castro's price proposal was reasonable. OST asserts that because Castro provided additional details that broke down the proposed price by fiscal year, Castro did not provide a single fixed price for the total contract. COS/MOL at 18-20. In this connection, the agency argues that the subdivided pricing tables do not establish the single fixed price required by the solicitation. *See id.* OST also contends that the protester's pricing was materially non-compliant with the solicitation because it was conditional and fluctuating based on the proposal's statement that the price was dependent on a specific contract start date, that is, within two weeks of August 8. *Id.*

Based upon our review of the contemporary record, we find the agency unreasonably evaluated Castro's price proposal. In this regard, the agency incorrectly found that Castro did not submit a single fixed price covering fiscal years 2025 and 2026 in the pricing volume. Castro's proposal specifically stated its total proposed fixed-price and clearly included the required table (above). AR, Tab 5, Castro Price Proposal at 6, 11 (providing a complete version of the table above). Castro also included a table with the required price breakdown categories for each SOW task.[11] *Id.* at 11-12 (this table include subtotals for each SOW task and a total price of $649,400). Additionally, Castro included tables with the required price breakdown categories per fiscal year. *Id.* at 7-9, 13-16 (these tables include subtotals for each SOW task by fiscal year). Castro's price proposal clearly met the minimum solicitation requirements, and the agency's evaluation finding otherwise was unreasonable.[12] We sustain this protest allegation.

Best-Value Tradeoff Decision and Prejudice

Castro argues that the agency's best-value tradeoff decision, and award to Guidehouse, was unreasonable because the agency relied upon unreasonable non-price and price evaluations. Protest at 13-14; Comments at 20-22. An agency's best-value determination is flawed when one or more of the underlying evaluations upon which that tradeoff analysis is based are unreasonable, erroneous or improper. *Weston-ER Fed. Servs., LLC*, B-418509, B-418509.2, June 1, 2020, at 16. Because we sustain Castro's challenges to the agency's technical and price evaluations, we also sustain Castro's overall challenge to the best-value tradeoff.

Competitive prejudice is an essential element of a viable protest, and we will only sustain a protest where the protester demonstrates that, but for the agency's actions, it would have had a substantial chance of receiving the award. *OGSystems, LLC*, B-417026 *et al*., Jan. 22, 2019, at 18. Where there is no basis for our Office to know what the ultimate source selection might have been, had the evaluation errors not occurred, we resolve any doubts regarding prejudice in favor of a protester because a

[11] As stated above, the RFP instructed offerors to provide, "at a minimum," a price breakdown of all costs by each SOW for each of these categories: (1) labor rates/categories; (2) proposed labor categories; (3) other direct costs; and (4) travel. RFP at 22-23.

[12] The agency also found that Castro's price was conditional because the price proposal stated that it was based on the issuance of the call order within two weeks of August 8. It is unclear how much of the agency's high-risk assessment is based on the agency's mistaken belief that Castro failed to submit a single fixed price for both fiscal years 2025 and 2026 and how much is based upon the agency's finding that the contract price was conditional. We find, however, that the agency's evaluation was unreasonable since it is based, at least in part, on the agency's inaccurate characterization of Castro's price proposal as failing to provide a single fixed-price.

reasonable possibility of prejudice is a sufficient basis for sustaining a protest. *BrightPoint, LLC,* B-423392 *et al.*, June 25, 2025, at 13.

Here, as part of its tradeoff analysis, the agency specifically relied on the evaluators' finding that Castro improperly failed to provide resumes for surge staff as a basis to select Guidehouse despite its higher price. AR, Tab 8, Memorandum for Record July 2026, at 4. In this regard, the agency found that, when compared to Guidehouse (which proposed the second lowest price), "Castro's cost advantage was outweighed by lower confidence in both technical approach and key personnel/management approach, including missing resumes and high schedule risk associated with lack of badged staff." AR, Tab 8, Memorandum for Record July 2026, at 7, 9-10. As the solicitation provided that, while non-price factors were significantly more important than price, "[t]he [c]ontracting [o]fficer may award to other than the lowest-priced Offeror or other than the highest technically-rated [o]fferor when in the best interest of the [g]overnment," RFP at 24, we cannot conclude with any certainty that the agency would have made the same price/technical tradeoff decision absent the above evaluation errors. Because we resolve doubts regarding prejudice in favor of the protester, we conclude that Castro has established the requisite competitive prejudice to prevail in its protest.

RECOMMENDATION

The record shows that OST issued the call order to Guidehouse on September 26, 2025, and did not suspend Guidehouse's contract performance pursuant to the Competition in Contracting Act (CICA), 31 U.S.C. § 3553(d)(4)(A)(ii), under the initial protest or the protest at issue here.[13] COS/MOL at 15; Agency Resp. to GAO Req. for Update at 1-2. The agency contends the Guidehouse has successfully performed the contract through the original performance period from September 26, 2025 to September 25, 2026. COS/MOL at 15; Agency Resp. to GAO Req. for Update at 1-2. The agency also notified GAO that on August 12, 2026, after this protest was filed, OST and Guidehouse executed a bilateral contract modification extending the period of performance for six months until March 25, 2027 and expanding the scope of the contract to include additional internal controls services for the fiscal year 2027 assessment cycle. Agency Resp. to GAO Req. for Update at 1-2; Agency Resp. to GAO Req. for Update, exh. A, Sole Source Justification at 1. The agency advised that terminating the contract to Guidehouse at this time was impractical because "Guidehouse's performance is heavily intertwined with the [a]gency's statutorily required assessments and reporting requirements, and interruption of its performance would irreparably harm the agency and is not practical at this stage of performance, when

[13] We make no findings regarding whether the agency's decision not to suspend performance of the call order was proper. GAO does not administer the requirements to stay award or suspend contract performance under CICA. 4 C.F.R. § 21.6; *see also Serco Inc.*, B-410676.2, Dec. 12, 2014, at 2-3 (whether the agency failed to comply with the stay of performance is not a matter for consideration by GAO).

performance is well underway and nearly complete."[14] Agency Resp. to GAO Req. for Update at 3.

In response to our request for supplemental briefing regarding remedies available for the protester, OST states that it "recommends that any remedy provided to the [p]rotestor be limited to reimbursing the [p]rotestor's reasonable proposal preparation costs and costs related to filing and pursuing the protest." Agency Resp. to GAO Req. for Update at 1, 3-4. The protester concurs with the agency's recommended remedy for proposal and protest costs. Protester's Resp to Agency Resp. to GAO Req. for Update at 1, 3-4. The protester, however, objects to agency's 6-month extension and contends that a shorter period would have been sufficient to meet the fiscal year 2027 deadlines.[15] *Id. at 2.*

Because the original period of performance for the call order has already been performed, with only a portion of the exercised 6-month option period remaining, we find that disturbing the award to Guidehouse is not practicable. We therefore recommend that Castro be reimbursed its proposal preparation costs, as well as its costs of filing and pursuing its protest. Castro should submit its certified claim for such costs, detailing the time spent and the costs incurred, directly to the agency within 60 days of receiving this decision. 4 C.F.R. § 21.8(f)(1).

The protest is sustained.

Edda Emmanuelli Perez
General Counsel

[14] The agency justified the bilateral modification and expansion of the scope of work by stating that conducting a competition for these services in the last quarter of fiscal year 2026 "would result in unacceptable delays of required tasks before fiscal year end" in time to verify compliance with statutory legal requirements for the internal controls audit services being procured under this solicitation. Agency Resp. to GAO Req. for Update, exh. A, Sole Source Justification at 2.

[15] Castro did not file a separate protest challenging the contract modification and sole source justification.