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# Decision

**Matter of:** Metris LLC  
**File:** B-422996.2  
**Date:** January 13, 2025

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## DIGEST

Protest challenging the proposed termination of the contract awarded to the protester and the protester's elimination from the competition for failing to have an active registration in the System for Award Management continuously from the submission of its initial proposal through the time of award is sustained where the agency included the protester in the competitive range and the protester had a continuously active registration from the time of final proposal revision through the time of award.

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## DECISION

Metris, LLC, a service-disabled veteran-owned small business of Chandler, Arizona, protests the Department of Homeland Security, United States Coast Guard's (USCG) proposed corrective action following a prior protest filed by MilTrain JV, LLC, a veteran-owned small business of Orlando, Florida, challenging an award to Metris under request for proposals (RFP) No. 70Z02322RFFCT0001 issued by the USCG for training, training analysis services, and instructional design and development. Metris argues that the agency proposes to improperly terminate the contract awarded to Metris and exclude it from the competition for having a break in its System for Award Management (SAM) registration between the time of initial proposal submission and final proposal submission.

We sustain the protest.

## BACKGROUND

The agency issued the RFP on November 9, 2022. Contracting Officer's Statement and Memorandum of Law (COS/MOL) at 2. The RFP contemplated the issuance of a single indefinite-delivery, indefinite-quantity contract on the basis of a best-value tradeoff between three factors: (1) technical; (2) management; and (3) price. Agency Report (AR), Tab A.1, RFP at 89. Relevant to this protest, the solicitation incorporated Federal Acquisition Regulation (FAR) provision 52.204-7, System for Award Management, by reference, which requires, among other things, that offerors must be registered in SAM when submitting an offer and continue to be registered until the time of award. *Id.* at 80.

The solicitation was amended six times, and ultimately established January 5, 2023, as the date for initial submission of proposals. COS/MOL at 3. Following receipt and evaluation of initial proposals, including a proposal from Metris, the agency invited offerors to revise their technical proposals and pricing by July 2, 2024. *Id.* Metris submitted a timely final proposal revision (FPR) on July 1, and the agency subsequently issued another amendment seeking revised pricing worksheets by July 12, which Metris timely submitted. *Id.* Following receipt of further revisions, the agency evaluated proposals and ultimately made award to Metris. *Id.*

Following award to Metris, MilTrain filed a protest with our Office, docketed as B-422996, alleging that the award to Metris was improper because Metris was not continuously registered in SAM between the time of initial proposal submission and the time of award. See AR, Tab C.1, Protest of MilTrain JV, LLC. That is, MilTrain's protest alleged that Metris's SAM registration lapsed between May 18 and 31 of 2024. *Id.* at 3-4. Shortly following the submission of MilTrain's protest, the USCG indicated that it intended to cancel award to Metris and conduct a new best-value tradeoff among the remaining eligible proposals; based on the agency's proposed corrective action, we dismissed MilTrain's protest as academic. *MilTrain JV II, LLC*, B-422996, Oct. 4, 2024 (unpublished decision). This protest of the agency's proposed corrective action followed.

## DISCUSSION

The gravamen of Metris's protest is that the agency erred by proposing to cancel the award to Metris and eliminate Metris from consideration for award when Metris was properly registered in SAM, consistent with the requirements of the FAR.<sup>1</sup> See Protest

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<sup>1</sup> The agency argues, among other things, that Metris's protest should be dismissed as premature because Metris brought the protest of the proposed corrective action before the agency actually took action to cancel the award to Metris. Agency Req. for Dismissal at 1-2. Where an agency has taken corrective action, a protest of the conduct of that corrective action is analogous to a pre-award protest. See *Shimmick Construction Co., Inc.*, B-420072.3, Mar. 17, 2022, 2022 CPD ¶ 125 at 4. Where ongoing corrective action does not alter the ground rules of the competition, a protest of

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at 3-5. Specifically, the protester challenges the agency's decision to retroactively eliminate Metris from the competition for having a break in its SAM registration between the time the firm submitted its initial proposal and the time the firm submitted its final proposal revision. *Id.* According to the protester, Metris had an active SAM registration continuously from the time the firm submitted its final proposal revision--the proposal upon which award was made--and the time of award and, therefore, should not have been eliminated from the competition.<sup>2</sup> *Id.* The agency defends its decision to cancel the award to Metris and eliminate Metris from the competition as reasonable and in accordance with the FAR. COS/MOL at 7-10. For the reasons discussed below, we sustain the protest.

Here, the RFP explicitly incorporated by reference FAR provision 52.204-7, System for Award Management. RFP at 80. The provision states, in relevant part:

An Offeror is required to be registered in SAM when submitting an offer or quotation, and shall continue to be registered until time of award, during performance, and through final payment of any contract, basic agreement, basic ordering agreement, or blanket purchasing agreement resulting from this solicitation.

FAR provision 52.204-7(b)(1).<sup>3</sup>

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the conduct of that corrective action is generally premature when brought before award or the protester's disqualification. See, e.g., *Quotient, Inc.*, B-416473.4, B-416473.5, Mar. 12, 2019, 2019 CPD ¶ 106 at 4; *WorldWide Language Resources, Inc.*, B-418767.5, July 12, 2022, 2022 CPD ¶ 180 at 6-9. Here, however, the agency has not only indicated unequivocally that it intends to terminate the award to Metris and disqualify Metris from the competition but argues that the text of FAR 52.204-7 denies it discretion to do otherwise. See COS/MOL at 9 n.11. Therefore, we conclude that Metris's protest does not merely anticipate improper agency action, but, rather, is a timely challenge of the proposed corrective action.

<sup>2</sup> Metris raises several additional arguments not addressed in this decision. For example, Metris argues that FAR provision 52.204-7 was not adopted consistent with the requirements for notice and comment rulemaking and is therefore ineffective or void. Protest at 6-8. In response, the agency argues that our Office lacks jurisdiction to consider challenges to the adequacy of procedures used to amend the FAR. COS/MOL at 4-7. We need not reach this jurisdictional question because we sustain Metris's protest on other grounds.

<sup>3</sup> The quoted language is from the FAR provision that was in effect at the time the protest was filed and that was incorporated into the solicitation and is, therefore, the language applicable to our analysis. The FAR Council has since issued an interim rule, effective November 12, 2024, amending the language of FAR provision 52.204-7(b)(1). Federal Acquisition Regulation: Clarification of System for Award Management

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The relevant facts here are not in dispute. The only question is whether the protester met the FAR requirement to be registered in SAM when submitting an offer, and to continue to be registered until time of award. That is, the parties disagree about which offer triggers the requirement for an offeror to have an active SAM registration. The protester contends that the applicable offer is the final proposal revision, which is the only offer upon which an agency may make award. Comments at 5-7. Because Metris was registered and active in SAM at the time the firm submitted its FPR, July 1, 2024, until the time of award, September 13, 2024, the protester contends it met the FAR's SAM registration requirements. *Id.* The agency, on the other hand, reads FAR provision 52.204-7 as requiring active SAM registration from the time Metris submitted its initial offer, January 5, 2023, until award, September 13, 2024. COS/MOL at 7-10. According to the agency, because Metris had a break in its active SAM registration in May of 2024 between the time of initial proposal submission and the time of award, the agency contends it is required to terminate the award to Metris and eliminate Metris from the competition. *Id.*

Where parties disagree as to the interpretation of a regulation, our analysis begins with the language of the disputed provision. *TLS Joint Venture, LLC*, B-422275, Apr. 1, 2024, 2024 CPD ¶ 74 at 3. If the regulation has a plain and unambiguous meaning, the inquiry ends with that plain meaning. *Coast to Coast Comput. Prods.*, B-419624.2, June 28, 2021, 2021 CPD ¶ 237 at 10. Further, it is a fundamental canon of interpretation that words contained within the regulation, unless otherwise defined, will be interpreted consistent with their ordinary, contemporary, common meaning. See *ESCO Marine, Inc.*, B-401438, Sept. 4, 2009, 2009 CPD ¶ 234 at 5.

Here, the word at issue is “offer,” as it is used in the FAR provision discussing the requirement to be registered in SAM. See FAR provision 52.204-7(b)(1) (“An Offeror is required to be registered in SAM when submitting an offer . . .”). The FAR defines an “offer” as:

a response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called “bids” or “sealed bids”; responses to request for proposals (negotiation) are offers called “proposals.”

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Preaward Registration Requirements, 89 Fed. Reg. 89472, 89472 (Nov. 12, 2024). The provision, as amended, now reads:

An Offeror is required to be registered in SAM when submitting an offer or quotation and at time of award (see FAR clause 52.204-13, System for Award Management Maintenance, for the requirement to maintain SAM registration during performance and through final payment).

FAR provision 52.204-7(b)(1). The amended FAR provision does not affect our analysis of the issues presented in this protest.

FAR 2.101. In the context of an RFP, the submission of a final proposal revision demonstrates an offeror's intent to modify or replace its initial offer, thus extinguishing an agency's ability to accept the earlier offer. *Integrated Bus. Sols., Inc.*, B-292239, July 9, 2003, 2003 CPD ¶ 122 at 4 (“[S]ubmission of an FPR effectively revoked [offeror's] initial proposal.”); see also FAR 15.307(b) (“Requests for final proposal revisions shall advise offerors that the final proposal revisions shall be in writing and that the Government *intends to make award without obtaining further revisions.*”) (emphasis added).

In this regard, we agree with the agency that it could have reasonably eliminated Metris from the competition prior to permitting Metris to submit an FPR because Metris had a break in its SAM registration following the time of its initial offer. See *TLS Joint Venture, supra*. The agency, however, did not do so at that time. Instead, the agency: (i) evaluated Metris's proposal; (ii) conducted discussions with Metris after the break in SAM registration; and (iii) asked Metris to submit a revised proposal. See AR, Tab B.1, Metris Discussion Letter at 1-3. The record reflects that, during discussions, the agency identified two technical deficiencies in Metris's proposal and invited Metris to revise both its technical and price proposal. *Id.* Metris complied and submitted a substantively revised proposal on July 1, 2024, with additional revisions to the price volume submitted at the agency's request on July 11, 2024. See AR, Tab D.2.a, Metris FPR Letter; Tab D.3.a, Metris Pricing Revision Letter.

While the agency here contends that Metris's revised proposal did not meaningfully change its original proposal, the record reflects that Metris made material changes to both its technical proposal and price proposal to correct deficiencies and other issues identified by the agency in discussions. *Id.* On this record, it is clear that Metris's initial proposal was superseded by Metris's FPR. By submitting the FPR, Metris's initial proposal was extinguished, and only Metris's FPR could be considered as the offer upon which an award could be made. *Integrated Bus. Sols., Inc., supra* at 4-5. Because the agency accepted the submission of Metris's final proposal revision, at the time of award the protester's initial offer had been revoked (or extinguished) and could no longer serve as a response to the solicitation that could bind Metris to perform the resultant contract. *Id.*; FAR 2.101; 15.307(b). Thus, Metris's initial proposal submission no longer constituted an “offer,” as defined by the FAR--*i.e.*, “a response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract.” FAR 2.101. Moreover, it was Metris's FPR which the agency ultimately selected for award, as Metris's initial proposal contained deficiencies and could not have formed the basis for award.

Consequently, under the unique timing requirements presented here and for the limited purposes of the SAM registration requirement, the “offer” that the agency was required to review for compliance with FAR provision 52.204-7(b)(1) was Metris's FPR, submitted on July 1, 2024. See *Hanford Tank Disposition All., LLC v. United States*, 173 Fed. Cl. 269, 315, 318 (2024) (holding “only revised final offers are the proposals for an agency to properly consider under the requirements of FAR 52.204-7(b)(1). . . . After the revised proposals were submitted and evaluated by the agency, the [agency]

could no longer accept either of the initial proposals, and the initial proposals were not before the Source Selection Authority when making a decision on contract award”).<sup>4</sup>

Here, the agency proposes to terminate the contract previously awarded to the protester and eliminate Metris, retroactively, from the competition for failing to be continuously registered in SAM between the time Metris submitted its initial proposal and the time of award. As discussed, however, the protester’s initial proposal had been extinguished when Metris submitted--and the agency accepted--the firm’s FPR. Therefore, the protester did, in fact, have an active SAM registration when it submitted its offer on July 1 through the time of award on September 13. Under these circumstances, we find unreasonable the agency’s proposed corrective action to terminate the award to Metris and eliminate the protester from the competition for failing to have an active SAM registration between the time of offer submission and the time of award.

Competitive prejudice is an essential element of every viable protest. *TLS Joint Venture, LLC, supra* at 8. Our Office will not sustain a protest unless the protester demonstrates a reasonable possibility that it was prejudiced by the agency’s actions; that is, unless the protester demonstrates that, but for the agency’s actions, it would have had a substantial chance of receiving the award. *Chugach Logistics & Facility Servs., JV, LLC, B-421451.3, B-421451.4, Sept. 8, 2023, 2023 CPD ¶ 270* at 6. Here, the protester is currently the awardee, and the challenged agency action would cancel the award to the protester and eliminate the protester from the procurement. Accordingly, we find the protester has established competitive prejudice, and sustain the protest.

## RECOMMENDATION

As discussed above, we conclude the agency unreasonably found Metris failed to meet the SAM registration requirement, and as a result, improperly proposed to terminate the award to Metris and eliminate Metris from the competition. We recommend that the agency maintain its existing award to Metris. We also recommend that the agency reimburse the protester its costs of filing and pursuing the protest, including reasonable 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).

The protest is sustained.

Edda Emmanuelli Perez  
General Counsel

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<sup>4</sup> *But see Zolon PCS II LLC v. United States*, 172 Fed. Cl. 742, 753-54 (2024) (holding that under FAR provision 52.204-7(b)(1) “the relevant triggering event for purposes of the SAM registration requirement . . . is the date the offerors submitted their initial proposals”).