UNREASONABLE RESTRICTION ON FINAL PROPOSAL REVISIONS

When an agency conducts discussions with offerors, the offerors must be given the opportunity to revise any aspect of their proposals in their final proposal revisions ("FPR"), including portions of their proposals that were not the subject of discussions. Federal Acquisition Regulation ("FAR") 15.307; *Imagine One Tech. & Mgmt., Ltd.*, B–412860.4, B–412860.5, Dec. 9, 2016, 2016 CPD ¶360. However, agencies are permitted to reasonably limit the scope of final proposal revisions to cost proposals only, or technical proposals only, or in some other way, provided that all offerors are subject to the same limitation.

In *Owl International Inc., d/b/a/ Global a 1st Flagship Co.,* B-423281.4, April 24, 2026, the Naval Sea Systems Command ("Navy") limited FPR's to cost proposals, excluding any change in technical proposals, in a procurement to manage and operate a ship salvage system worldwide. Owl protested that this limitation was unreasonable. Owl asserted that prior to FPR's, the Navy initially included (and received offers) but then removed FAR 52.222-46 from the RFP. (This FAR provision is required in solicitations for services if the contract is expected to have a value over $900,0000 and "meaningful numbers" of professional employees will be involved in the contract.) The Navy asserted that the 15 professionals required for the contract did not constitute meaningful numbers in the context of the RFP requirement for 249 total employees (i.e, only six percent of the workforce). Further, the Navy asserted that there was no basis to allow offerors to revise their proposals beyond cost/price because FAR 52.222-46 did not have a material impact on the offerors' technical proposal.

The GAO disagreed that FAR 52.222-46 was immaterial to the offerors' technical proposals. This FAR provision requires that offerors submit with their proposals a total compensation plan, including salaries and fringe benefits for professional employees, that would be evaluated for sound management and understanding of contract requirements, the effect on recruiting and retention, realism and relation to compensation on the incumbent contract levels—all for the purpose of ensuring uninterrupted high-quality work. None of these aspects of professional compensation would be evaluated if this FAR provision were removed. Further, the removal of the FAR provision eliminated the need for offerors to focus specifically on the levels of professional compensation. Owl argued that removal of this FAR provision could prompt offerors to revise their cost proposals in ways that were "inextricably linked to aspects of the technical proposal, and therefore requires that offerors be permitted to make revisions to both [the cost and technical] volumes of their proposals."

The GAO concluded that where a change in the solicitation "would reasonably affect the strategy an offeror has proposed beyond the area to which the agency has restricted proposal revision, the agency's restriction is unreasonable." Here, FAR 52.222-6 would reasonably affect aspects of the technical proposal, in which offerors had to address management of key and non-key personnel, attrition, qualifications and commitment of key personnel, management, training and ensuring viability of quality personnel. The GAO therefore sustained Owl's protest, and recommended that the Navy request FPR's without restricting them to their cost proposal only.

Takeaway. When a change in a solicitation prior to the submission of FPR's affects the offeror's strategy in an area where proposal revisions have been prohibited by the agency, the restriction is considered to be unreasonable, and can be successfully protested.

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