GAOHighlights

Highlights of GAO-25-108652, a testimony Before the Subcommittee on Government Operations, Committee on Oversight and Government Reform, U.S. House of Representatives

Why GAO Did This Study

For nearly 100 years, GAO has provided an objective, independent, and impartial forum for the resolution of disputes concerning the awards of federal contracts. Consistent with Congress' mandate in the Competition in Contracting Act of 1984, GAO provides for the inexpensive and expeditious resolution of more than 1,000 protests annually.

GAO's testimony provides background information on bid protests and recent bid protest trends. This testimony is based on GAO's prior legal work related to bid protests, including GAO's Bid Protest Annual Reports to Congress.

This testimony describes key features of the bid protest process. It includes recent trends in bid protest filings, as well as addressing GAO's recent response to Section 885 of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, Pub. L. No. 118-159 (Dec. 23, 2024).

For more information, contact Kenneth Patton at Pattonk@gao.gov.

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BID PROTESTS

Key Features and Trends

What GAO Found

The laws and regulations that govern contracting with the federal government are designed to ensure that federal procurements are conducted fairly. On occasion, vendors or offerors interested in government procurements may have reason to believe that a contract has been, or is about to be, awarded improperly or illegally, or that they have been improperly denied a contract or an opportunity to compete for a contract. A major avenue for relief for those concerned about the propriety of an award has been GAO's bid protest forum.

The bid protest process established in the Competition in Contracting Act of 1984 seeks to provide a meaningful dispute resolution process while also ensuring the timely resolution of protests so that agencies can proceed with acquiring necessary goods or services. GAO resolves all protests to the maximum extent practicable within 100 calendar days of filing. Additionally, GAO is authorized to dismiss protests that on their face, do not state a valid basis for protest.

GAO routinely resolves over 1,000 bid protests annually within the 100 calendar day period. Protesters achieve some form of relief in approximately 50 percent of cases filed with our Office. GAO's bid protest statistics reflect that over the past 10 years protest filings have overall declined by approximately 32 percent.

Number of Protests 3.000 2,789 2 639 2.596 2,607 2,500 2.200 2,149 2.025 47.54% 1,897 49.52% (1,326)51.23% 1.803 2,000 (1,291)(1.330)46.86% 1,658 (1,031)51.65% **63.70**% (1,290) 54.24% 1.500 55.85% (1,029) 51.57% 1,000 **52.46%** (1,463) **48.77%** (1,266) **50.48%** (1,316) **53.14**% (1,169 **48.35**% (1,039) **45.76**9 (868) **48.43**9 (803) **44.15**9 (796) 500 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 Fiscal year DOD Protests Non-DOD Protests Total Number of Protest Case Filings

Figure 1: Percentage and Number of Protest Case Filings at GAO FY2015-FY2024

As part of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, Congress tasked GAO with proposing certain potential reforms to the bid protest process, including proposals to modify the pleading standard applied by GAO before a disappointed offeror may obtain access to agency procurement records, and for shifting the costs of other parties to the protester when a protester files an unsuccessful protest. As addressed in the response and in this testimony, GAO proposes to clarify GAO's pleading standard. Also, while GAO remains neutral on creating a process to shift costs or fees, GAO discusses options that Congress could consider to implement such an approach.

_ United States Government Accountability Office