

**United States Small Business Administration
Office of Hearings and Appeals**

VSBC Protest of:

General Services Administration,

Protestor,

Re: Sugarloaf Technologies LLC

Solicitation No. 47QTCB22R0007

SBA No. VSBC-461-P

Decided: January 15, 2026

APPEARANCES

Nick Engel, Contracting Officer, General Services Administration, Washington, DC, for Protestor

Todd R. Overman, Esq., Adam R. Briscoe, Esq., Bass, Berry & Sims PLC, Washington, DC, for Sugarloaf Technologies LLC

DECISION

I. Introduction and Jurisdiction

On September 8, 2025, the General Services Administration (Protestor) protested the Service-Disabled Veteran-Owned Small Business (SDVOSB) status of Sugarloaf LLC (Sugarloaf), in connection with Solicitation No. 47QTCB22R0007, to the Small Business Administration (SBA) Office of Hearings and Appeals (OHA) for review. Protestor alleges that Sugarloaf is not a qualified SDVOSB for the subject procurement because its joint venture (JV) agreement does not properly adhere to SBA's regulations. For the reasons discussed *infra*, I DENY this protest.

The U.S. Small Business Administration (SBA) Office of Hearings and Appeals (OHA) adjudicates SDVOSB status protests pursuant to 15 U.S.C. § 657f and 13 C.F.R. Part 134 Subpart J. Protestor filed its protest within five business days after receiving notification that Sugarloaf had been awarded the contract, so the protest is timely. 13 C.F.R. § 134.1004(a)(3). Accordingly, this matter is properly before OHA for decision.

II. Background

A. Solicitation and Protest

The instant solicitation was posted to SAM.gov on September 15, 2022. Initial offers did not require price, but price was added after a Court of Federal Claims protest decision. These amended proposals, including price, were due January 12, 2024. Amendment 0004, posted on November 3, 2023, allowed for submission of proposal revisions only by those offerors who submitted proposals by November 18, 2022. The pre-award notice for small business concerns was posted to SAM.gov on August 28, 2025.

The NAICS code for this acquisition is 541512 — Computer Systems Design Services — with a corresponding \$30 Million annual receipts size standard. The solicitation was set-aside for SDVOSB small business concerns. The Solicitation is for a multiple-award indefinite-delivery, indefinite-quantity contract with no contract ceiling.

Protestor filed the instant protest on September 8, 2025. Protestor alleges that, while Sugarloaf is a mentor-protégé joint venture (MPJV), its JV Agreement does not satisfy all the requirements of the regulations FAR 52.207-6, 13 C.F.R. § 125.18 and/or 13 C.F.R. § 125.9, as applicable.¹ Specifically, the JV agreement appears to lack a statement that quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the joint venture's principals) will be submitted to SBA no later than 45 days after each operating quarter of the joint venture. (Protest at 2).

Protestor also contends that it was informed that the SBA views it reasonable to interpret 13 CFR § 121.404(a)(1)(iv) as applicable to the Polaris GWAC, and that a concern's size and status would be determined as of the date of initial offer — November 18, 2022). Moreover, Protestor also alleges it was informed that for expired JV agreements, SBA views it as reasonable that the exception to affiliation for JV members would apply if the initial offer was within the two-year period from the JV's first award. (Protest at 1).

B. Sugarloaf's Response

On September 25, 2025, Counsel for Sugarloaf responded to the instant protest. Sugarloaf contends that OHA should deny the protest because its Amended JV Agreement satisfied SBA's substantive SDVOSB joint venture content requirements as of the date of Sugarloaf's final proposal revision, and moreover, Sugarloaf has since issued an amendment to that document for explicit clarity of compliance. (Response at 1).

Sugarloaf contends that Protestor's sole basis for its protest, that Sugarloaf's JV Agreement omitted a statement committing the JV to submit quarterly financial statements to SBA within forty-five (45) days under 13 C.F.R. § 128.402(c)(11), does not warrant a finding of ineligibility. Indeed, as of January 12, 2024, the JV Agreement already (i) required regular

¹ These citations are Appellant's. These regulations have been repealed and replaced with new regulations at 13 C.F.R. § 128.402.

financial reporting between its members, (ii) designated a responsible manager for financial reporting, and (iii) contained an explicit conformity clause providing that any provision must be interpreted to comply with SBA's joint venture rules, thereby incorporating SBA's SDVOSB reporting obligations. (emphasis provided). Finally, Sugarloaf also executed a Fifth Amendment on September 22, 2025, to expressly incorporate the quarterly financial statement and project-end reporting commitments. (Response at 1-2).

Sugarloaf outlines that it is an unpopulated JV formed pursuant to a valid SBA Mentor-Protégé Agreement between NCI Information Systems, Inc. ("NCI") (Mentor) and Ameriinfovets, Inc. ("AI-Vets") (Protégé). AI-Vets is — and at all relevant times has been — a certified SDVOSB concern in good standing. (See Exh. 1). Under 13 C.F.R. §§ 125.9 and 128.402, a mentor-protégé JV may rely on the protégé's SDVOSB status for set-aside eligibility where, as here, the JV is properly structured and controlled by the certified protégé. (Response at 2).

Next, Sugarloaf submitted a JV Agreement on January 12, 2024, the date of its final proposal revision, that substantially complied with the SBA's SDVOSB joint venture agreement content requirements set forth at 13 C.F.R. § 128.402(c). (See Exh. 2). Protestor does not dispute this JV Agreement is broadly compliant with SBA regulations. The only basis for the protest is the omission of one specific requirement for a JV Agreement, namely that it did not include an explicit provision stating that quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the joint venture's principals) will be submitted to SBA no later than forty-five (45) days after each operating quarter, as required by 13 C.F.R. § 128.402(c)(11). (Response at 2-3).

Sugarloaf contends this alleged omission was addressed in other provisions in the JV Agreement at issue. Sugarloaf acknowledges the minor deficiencies relating to the administrative reporting requirements provided at 13 C.F.R. §§ 128.402(c)(11) and (12) — the regulations cited by Protestor. However, the JV Agreement in effect as of January 2024 also holds that any provision conflicting with SBA rules is null and void *ab initio* or must be interpreted consistent with SBA rules. (See Exh. 2, at § 25.13). ("[i]f any provision contained in this Agreement is in conflict with or prohibited by SBA rules, regulations, information notices, or guidance concerning joint ventures, such provision(s) shall be null and void *ab initio* or interpreted in a manner that is consistent with SBA rules, regulations, information notices or guidance.").

Moreover, the January 2024 version of the JV Agreement also requires quarterly reporting to Sugarloaf members, the Managing Member to present monthly financial statements for review to all members, and designates an individual specifically responsible for preparing, assembling, reviewing, and submitting reports documenting contractual and financial matters, and financial reporting. (See *id.* at §§ 11.2, 11.6.7, 18.3, 18.7). Thus, the JV Agreement, by its own terms, incorporated financial reporting obligations and mandated compliance with SBA's SDVOSB financial reporting requirements. (Response at 3).

Finally, Sugarloaf also executed a Fifth Amendment to its JV Agreement on September 22, 2025, adding a new section 18.6.5 to expressly commit the JV to submit quarterly financial statements to SBA within forty-five (45) days after each quarter, and (ii) a project-end profit and

loss statement (including final profit distribution) within ninety (90) days after contract completion. (See Exh. 3 at ¶ 11).

Sugarloaf argues that for the above-listed reasons, OHA should deny the instant protest.

III. Discussion

A. Burden of Proof and Date of Eligibility

As the protested firm, Sugarloaf has the burden of proving its eligibility by a preponderance of the evidence. 13 C.F.R. § 134.1010. The decision must be based primarily on the Case File and the information provided by the Protestor, the protested concern, and any other parties. 13 C.F.R. § 134.1007(g). Accordingly, all the evidence submitted by the Protestor and Sugarloaf is part of the record.

In a SDVOSB status protest pertaining to a concern's compliance with the joint venture regulations at 13 C.F.R. § 128.402(c), OHA determines the eligibility of the protested concern's SDVOSB status as of the date of the joint venture's final proposal revisions. 13 C.F.R. § 134.1003(e)(1). Here, Sugarloaf submitted its final proposal revisions on January 12, 2024, so accordingly I must determine Sugarloaf's compliance with the joint venture agreement requirements as of that date.

B. Analysis

This protest hinges on the degree to which Sugarloaf's JV Agreement as of January 12, 2024, complied with SBA regulations. Due to the requirements of 13 C.F.R. § 134.1003(e)(1), which require determination of status as of the date of final proposal revisions, Sugarloaf's Fifth Amendment to its JV Agreement, which was executed on September 22, 2025, accordingly will not be considered for the purposes of this decision.

Protestor contends that because Sugarloaf's JV agreement lacks a specific requirement that “quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the joint venture's principals) . . . be submitted to SBA no later than 45 days after each operating quarter of the joint venture[,]” the JV Agreement therefore does not properly comply with SBA's regulations. (Protest at 2).

Sugarloaf counters that because the existing JV Agreement already required regular financial reporting, designated a responsible manager for this exact purpose, and — most pertinently — contained explicit conformity clause providing that any provision must be interpreted to comply with SBA's joint venture rules, thereby incorporating SBA's SDVOSB reporting obligations, even as of January 12, 2024, Sugarloaf's JV Agreement was in compliance with SBA regulations.

Section 25.13 of Sugarloaf's JV Agreement, on January 12, 2024, provided:

25.13 Conflict with SBA's Rules. If any provision contained in this Agreement is in conflict with or prohibited by SBA rules, regulations, information notices, or guidance concerning joint ventures, such provision(s) shall be null and void ab initio or interpreted in a manner that is consistent with SBA rules, regulations, information notices or guidance.

(JV Agreement, on January 12, 2024, at 29). (emphasis added).

OHA has considered the merits of such clauses before. For instance, in *VSBC Protest of New Directions Technologies, Inc.*, SBA No. VSBC-299-P (2023), while OHA found that it “[could not] find in the JVA or JVOA any provision which incorporates SBA's regulations into the agreements, so that if there is any conflict with the SBA regulations, the regulations control[,]” this statement implies, by definition, that had such a clause been present in the concern's JV Agreement that OHA would have considered it and found it dispositive. (*New Directions Technologies* at 11).

Sugarloaf also cites, among others, § 11.2 of JV Agreement as provisions to be interpreted in a manner consistent with the pertinent SBA regulations. This § 11.2 specifically holds that:

- [The Managing Manager shall]
 - Act as the principal point-of-contact with the Joint Venture's actual and potential customer(s) and other U.S. Government representatives on all contractual, reporting, and financial matters; . . .
 - Submit invoices and progress payment requests prepared by the Joint Venture Accountant to the U.S. Government customer(s) on behalf of the Joint Venture for work performed during the invoice/progress payment request period; ...
 - Direct, after appropriate consultation with the Members and Joint Venture's accountant, all financial management and administrative activities, such as... financial reporting under the Joint Venture's contract(s) and task orders; ...
 - Prepare, assemble, review and submit, after appropriate consultation with the Members and Joint Venture accountant, such reports as may be required by the Contracts or Task Orders to the Joint Venture that document contractual and financial matters affecting each such contract or task order; and
 - Prepare, assemble, review and submit summary reports on the status of the Contracts or Task Orders with the Joint Venture to each Member of the Management Committee, the SBA, or other U.S. Government officials as required by the terms of this Agreement or applicable regulation.

(Section 11.2, JV Agreement at 15-16). (emphasis added).

The regulation at 13 C.F.R. §§ 128.402(c)(11), (12) provide that a concern's JV Agreement must contain provisions:

(11) Stating that quarterly financial statements showing cumulative contract receipts and expenditures (including salaries of the joint venture's principals) must be submitted to SBA not later than 45 days after each operating quarter of the joint venture; and

(12) Stating that a project-end profit and loss statement, including a statement of final profit distribution, must be submitted to SBA no later than 90 calendar days after completion of the contract.

13 C.F.R. §§ 128.402(c)(11), (12).

Sugarloaf's JV Agreement did not explicitly contain these provisions requiring certain financial reports. However, it did contain provisions requiring extensive financial reports, and, more importantly, a provision explicitly incorporating the requirements of SBA's regulations. Sugarloaf's Managing Member is required by the agreement to prepare and submit the reports "required by the . . . applicable regulation". This requires the Managing Member to prepare and submit the reports required by 13 C.F.R. §§ 128.402(c)(11), (12), as these reports are required by the regulation governing the contents of joint venture agreements. Therefore, Protestor's claim that Sugarloaf's JV Agreement has not complied with the regulation is meritless. Sugarloaf's JV Agreement complies with the regulation, and thus it is an eligible SDVOSB.

IV. Conclusion

For the above listed reasons, I DENY the instant protest. This is the final decision of the U.S. Small Business Administration. 13 C.F.R. § 134.1112(d).

CHRISTOPHER HOLLEMAN
Administrative Judge