

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

CVE Protest of:

Vet Reporting, LLC,

Protestor,

Re: Marquis Solutions, LLC

Solicitation No. 36C25620Q0744

U.S. Department of Veterans Affairs
Network Contracting Office 16

SBA No. CVE-173-P

Decided: November 20, 2020

APPEARANCES

Thomas E. Bailey, President, Vet Reporting, LLC, Marietta, Georgia

Frank A. Redavide, President, Marquis Solutions, LLC, Westfield, Indiana

DECISION

I. Introduction and Jurisdiction

On October 13, 2020, Vet Reporting, LLC (Protestor) protested the Service-Disabled Veteran-Owned Small Business (SDVOSB) status of Marquis Solutions, LLC (Marquis), in connection with U.S. Department of Veterans Affairs (VA) Request for Quotations (RFQ) No. 36C25620Q0744. Protestor alleges that Marquis is not fully controlled by one or more service-disabled veterans, and that Marquis will be unusually reliant upon a non-SDVOSB subcontractor to perform the contract. For the reasons discussed *infra*, the protest is denied.

The U.S. Small Business Administration (SBA) Office of Hearings and Appeals (OHA) adjudicates SDVOSB status protests pursuant to 38 U.S.C. § 8127(f)(8)(B) and 13 C.F.R. part 134 subpart J.¹ Protestor filed its protest within five business days after receiving notification that Marquis was the apparent awardee, so the protest is timely. 13 C.F.R. § 134.1004(a)(2)(i). Accordingly, this matter is properly before OHA for decision.

¹ The regulations at 13 C.F.R. part 134 subpart J became effective on October 1, 2018. 83 Fed. Reg. 13,626 (Mar. 30, 2018).

II. Background

A. The RFQ

On June 30, 2020, the VA issued RFQ No. 36C25620Q0744, seeking a contractor to transcribe hearings and depositions for the Central Arkansas Veterans Healthcare System in Little Rock, Arkansas. (Case File (CF), Exh. 166, at 6.) The Contracting Officer (CO) set aside the procurement entirely for SDVOSBs, and assigned North American Industry Classification System (NAICS) code 561492, Court Reporting and Stenotype Services, with a corresponding size standard of \$16.5 million average annual receipts. (*Id.* at 1.) The RFQ was structured as an acquisition of commercial items pursuant to Federal Acquisition Regulation (FAR) part 12.

According to the RFQ, the contractor will provide “all management, tools, supplies, equipment and labor necessary” to complete the required work. (*Id.*) The RFQ consisted of nine contract line item numbers (CLINs), and specified estimated quantities of work for each CLIN. (*Id.* at 4-5.) Quotations were due July 14, 2020. (*Id.* at 1.) Marquis and Protestor submitted timely quotes.

B. Marquis' Quote

Marquis' quote identified Marquis as the proposed prime contractor, and stated that Marquis is headquartered in Westfield, Indiana. (Marquis Quote at 3.) The quote contained no indication that Marquis planned to subcontract any portion of the contract.

C. Protest

On October 6, 2020, the CO informed Protestor that Marquis was the apparent awardee. On October 13, 2020, Protestor filed the instant protest. Protestor does not dispute that Mr. Frank A. Redavide, the owner and President of Marquis, is a service-disabled veteran. (Protest at 1.) Protestor alleges, however, that Mr. Redavide works as a real estate agent in the state of Indiana. (*Id.*) Further, according to Protestor, Marquis has been awarded several contracts for unrelated work in various geographic areas. Protestor questions how Marquis is:

somehow able to simultaneously perform flooring contracts in Missouri, Laboratory courier services for [Veterans Integrated Service Network (VISN)] 2, Janitorial Services [for] the Aiken [Community-Based Outpatient Clinic] in South Carolina, Laboratory courier services for VISN 20, operates parking lots in VISN 21, performs snow removal in VISN 23, and now performs nationwide court reporting.

(*Id.*) Protestor urges that Marquis should be required to produce documentation demonstrating its compliance with limitations on subcontracting restrictions. (*Id.* at 2.) If Marquis fails to do so, OHA should assume that Marquis is “nothing more than a rent-a-vet fraud.” (*Id.*)

Accompanying its protest, Protestor attached a copy of a prior OHA decision involving Marquis, *CVE Protest of Crosstown Courier Service, Inc.*, SBA No. CVE-119-P (2019), as well as Federal Procurement Data System printouts identifying contracts previously awarded to Marquis.

D. Marquis' Response

On November 6, 2020, Marquis responded to the protest. Marquis insists that it is a verified SDVOSB and is compliant with all VA and CVE requirements. Marquis denies that it does not self-perform the contracts it has been awarded. According to Marquis, such allegations are “outrageous and absolutely false.” (Response at 1.)

Marquis explains that it has been a verified SDVOSB in CVE's Vendor Information Pages (VIP) database since 2017. (*Id.*) Marquis has added several new NAICS codes to its profile since 2017. (*Id.*) Marquis has “always been 100% owned, managed and controlled by Frank Redavide,” who is a service-disabled veteran. (*Id.*) Mr. Redavide also is President of Marquis, where he works full-time and is responsible for managing all aspects of the company. (*Id.*) Although Mr. Redavide holds a real estate broker license in the state of Indiana, he does not work in the real estate industry. (*Id.*) Instead, he uses this license to “sometimes buy[] rental properties on his own time.” (*Id.*)

Marquis highlights that Mr. Redavide “oversees and manages all operations” of Marquis' contracts. (*Id.*) Marquis “hires employees to fulfill” these contracts, but such an approach is not improper. (*Id.*)

E. Case File

The Case File indicates that Marquis is a member-managed limited liability company (LLC) based in the state of Indiana. (CF, Exh. 4.) Mr. Redavide is the sole owner and the sole Member of Marquis, and holds the position of President, Marquis' highest officer position. (CF, Exh. 4 at 10-12, 26; CF, Exh. 5.) Mr. Redavide is a service-disabled veteran. (CF, Exh. 2.)

Marquis operates from Mr. Redavide's personal residence in Westfield, Indiana. (CF, Exh. 147.) Mr. Redavide devotes over 40 hours a week to operating and managing Marquis. (*Id.*) Among his other duties, Mr. Redavide “[m]anages several service teams and employees in different parts of the US.” (CF, Exh. 116.) Mr. Redavide also owns another entity, Ameripex Enterprises, Inc. (Ameripex), which is operated by a professional property manager to oversee rental properties. (CF, Exh. 147.) Mr. Redavide spends approximately “3-4 hours per month on these investments owned by Ameripex.” (*Id.*) Marquis “does not share employees, resources, equipment, or any other services” with Ameripex or any other entity. (CF, Exh. 153.)

The Case File includes multiple resumes for Mr. Redavide. (CF, Exhs. 7, 15, and 116.) In a letter to CVE dated November 13, 2017, Mr. Redavide clarified that he has no outside employment. (CF, Exh. 37.) The resume uploaded to CVE on October 8, 2020, describes Marquis as a “distribution and service company.” (CF, Exh. 116.)

On December 6, 2017, CVE verified Marquis for inclusion in its VIP database for a period of three years. (CF, Exh. 66.) On October 30, 2020, CVE re-verified Marquis for a period of three additional years. (CF, Exh. 160.)

III. Discussion

A. Burden of Proof

As the protested firm, Marquis has the burden of proving its eligibility as an SDVOSB by a preponderance of the evidence. 13 C.F.R. § 134.1010.

B. Dates to Determine Eligibility

In a CVE Protest pertaining to a procurement, OHA determines the eligibility of the protested concern as of two dates: (1) the date of the bid or initial offer including price, and (2) the date the CVE Protest was filed. *See* 13 C.F.R. § 134.1003(d)(1). Here, Marquis submitted its quotation including price on July 14, 2020, and the instant protest was filed on October 13, 2020. Sections II.A and II.C, *supra*. Therefore, OHA must examine Marquis' eligibility as of these dates, using the substantive ownership and control regulations in effect on each date.

C. Analysis

The record establishes that Marquis is fully owned and controlled by Mr. Redavide, a service-disabled veteran. Section II.E, *supra*. Further, there is no indication that any non-service-disabled veteran individual or entity is involved in the ownership or management of Marquis. As a result, CVE correctly verified Marquis as an SDVOSB. 13 C.F.R. §§ 125.12 and 125.13. In its protest, Protestor does not dispute that Mr. Redavide is a service-disabled veteran, nor does Protestor challenge whether Mr. Redavide owns and controls Marquis. Section II.C, *supra*. Protestor suggests, however, that Mr. Redavide may not work full-time for Marquis but instead is employed as a real estate agent, and also contends that Marquis will rely upon a subcontractor to perform the instant contract. *Id.* Because the record does not support either of Protestor's allegations, this protest must be denied.

With regard to Mr. Redavide's employment, Marquis has persuasively shown that Mr. Redavide works full-time for Marquis during normal business hours and that he has no other employment. Sections II.D and II.E, *supra*. Marquis further explains that, although Mr. Redavide is a licensed real estate broker, he does not actually work in that industry. *Id.* Rather, he uses his license to oversee occasional real estate investments. *Id.* Accordingly, while SBA regulations at 13 C.F.R. § 125.13(k) create a rebuttable presumption that a service-disabled veteran does not control a concern if “the service-disabled veteran is not able to work for the firm during the normal working hours that businesses in that industry normally work,” such a situation is not present in the instant case. *Cf.*, *CVE Protest of Covenant Constr. Servs.*, SBA No. CVE-152-P, at 3-4 (2020) (sustaining protest when a service-disabled veteran worked “full-time for [another company] during normal business hours, and only part-time for [the challenged firm] on evenings and some weekends”).

Protestor's allegations with regard to subcontracting are equally unfounded. Effective December 30, 2019, SBA added new provisions to the regulations at 13 C.F.R. part 125, explaining that a prime contractor is not eligible for award of an SDVOSB contract “[w]here a subcontractor that is not similarly situated performs primary and vital requirements of a set-aside or sole-source service contract or order, or where a prime contractor is unduly reliant on a small business that is not similarly situated to perform the set-aside or sole source service contract or order.” 13 C.F.R. § 125.18(f). Based on Marquis' quote and other evidence in the record, though, there is no indication that Marquis will utilize a subcontractor for the instant procurement. Section II.B, *supra*. Accordingly, no basis exists to find Marquis in violation of 13 C.F.R. § 125.18(f).²

IV. Conclusion

Marquis has proven its eligibility as an SDVOSB by a preponderance of the evidence. The protest therefore is DENIED. This is the final agency action of the U.S. Small Business Administration. 38 U.S.C. § 8127(f)(8)(B); 13 C.F.R. § 134.1007(i).

KENNETH M. HYDE
Administrative Judge

² Insofar as Protestor questions Marquis' compliance with 13 C.F.R. § 125.18(f) on other procurements, such matters are beyond the scope of the instant protest. Although Protestor submitted a quote for the instant procurement, and therefore has standing to challenge Marquis' eligibility for this particular award, Protestor has not established that it would have standing to pursue a status protest against Marquis with regard to any other procurement. 13 C.F.R. § 134.1002(b). Further, because the regulations at 13 C.F.R. § 125.18(f) became effective December 30, 2019, it is not clear that those regulations would have been applicable to earlier contracts awarded to Marquis.