

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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### Congresswoman Eleanor Holmes Norton Subcommittee on Government Operations “Bid Protest Reform: Understanding the Problem” July 22, 2025

Thank you, Mr. Chairman, and thank you to our witnesses for being here today.

On this subcommittee, we have been steadfast in our bipartisan work. Together, we’ve committed to identifying solutions to long-standing challenges faced by our federal agencies, including improper payments, financial management, and fraud prevention at the Department of Defense (DOD).

**We have long recognized these issues that complicate the efforts of federal agencies to be the stewards of taxpayer resources that Americans deserve. On this specific topic of bid protests, however, it is essential that any changes we make to the system are guided by data—data that, in some cases, we don’t yet have.**

The U.S. government is the largest buyer of goods and services in the world. It represents an important opportunity for businesses offering solutions that can help our federal agencies meet their goals in serving the American people.

**The bid protest process plays the essential role of preserving public trust by helping to prevent corruption and unfair deals. It ensures that these doors of opportunity are open to businesses of all sizes and backgrounds, not just those that are politically well-connected. The bid protest process keeps our federal agencies accountable and guarantees that, if you’re offering a good deal to the American public, your bid on government work has a fair shot.**

A fair and effective bid protest process also ensures that the American people are getting good value for their hard-earned money by promoting robust and fair competition among contractors for the government’s business. That sense of fairness encourages the innovative small businesses owned by veterans and minorities to jump into this competitive environment to offer their services.

The immense volume of contracts awarded across the federal government calls for special attention from Congress and executive branch leaders. It is imperative that DOD and all federal agencies are empowered to procure goods and services efficiently.

**I do not believe this goal requires sacrificing accountability by erecting overly burdensome barriers to contractors wishing to protest potential unfairness and impropriety on the part of the government.**

As we examine this issue today—and as this Subcommittee engages in efforts to reform our procurement system—several key aspects of the bid protest system should be top of mind:

- First, according to the U.S. Government Accountability Office (GAO), bid protests are frequently successful in identifying a problem, resulting in corrective action by the agency. The data show that the majority of bid protests are valid. If we undermine this process, we may get worse outcomes from our agencies and unfair practices could go uncorrected.
- Second, the number of contracts actually challenged through bid protests is small, for example, less than 2% of DOD contracts are protested every year. That number appears to be decreasing in recent years. It is fair to ask why this issue is a priority for reform, in the face of other serious challenges.
- Third, additional barriers to bringing a bid protest threaten to unfairly and disproportionately affect smaller businesses that have fewer financial resources. These are the very businesses we should be incentivizing to work with the federal government. We should not be driving them away by reducing their recourse in the event of an improper award process.

**My hope is that we can work together to look for ways to reduce the need for bid protests by improving the procurement process itself. We should be encouraging agencies to take a hard look at the results of their bid protests to see where they went wrong and where they can do better next time. And we should look for patterns in bid protests as blueprints for legislative reforms that might be needed.**

Reports by GAO and other independent researchers indicate that DOD does not collect the data necessary to analyze the impact of bid protests on DOD procurements or costs. It also does not systematically analyze the outcome of bid protests to identify areas of concern in its procurement processes.

**We can't solve a problem we don't fully understand. I hope we can get more of that understanding today from our witnesses and continue to work together to find common sense solutions.**

I know my colleagues on this Subcommittee share my goal of an efficient and fair government procurement system. I hope that we can continue to safeguard the bid protest process as the important accountability mechanism that it is.

Thank you, I yield back.

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