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Protest Decision

Matter of: Frontier Precision

File No.: 2026-224

Posting Date: August 14, 2026

Contracting Entity: South Carolina Department of Transportation

Solicitation No.: 5400029301

Description: Unmanned Aerial Systems (UAS) Equipment & Accessories

DIGEST

Protest by Frontier Precision, Inc., granted where the price evaluation process is flawed. Frontier's protest is attached as Exhibit A. The South Carolina Department of Transportation's (the Department) response to Frontier's protest is attached as Exhibit B.

AUTHORITY

Per S.C. Code Ann. § 11-35-4210, the Chief Procurement Officer (CPO) conducted an administrative review of the protests filed by Frontier. This decision is based on materials in the procurement file and applicable law and precedents.

BACKGROUND

On March 6, 2026, the South Carolina Department of Transportation (the Department) issued a solicitation for competitive sealed bids for unmanned aerial systems (UAS) and equipment. [Exhibit C] On April 2, the Department issued Amendment 1 answering vendor questions. [Id.] By this Solicitation, the Departments solicitation sought bids on the following UAS platforms:

Manufacturer	Platform Type	Proposed Use Cases
Skydio	Multicopter	Bridge inspection, vertical asset inspection, construction documentation, emergency response, confined/GPS-challenged environments
Freefly Systems	Multicopter (heavy-lift)	LiDAR collection, high-resolution corridor mapping, photogrammetry, payload-intensive missions
Inspired Flight Technologies	Multicopter (heavy-lift)	Corridor surveys, construction/earthwork monitoring, asset inventory
Wingtra	VTOL Fixed-Wing	Large-area mapping, highway/rural corridor surveys, planning and environmental surveys, pavement/surface imaging
Quantum Systems	VTOL Fixed-Wing	Long-range corridor mapping, rural network surveys, planning-level data collection, disaster/emergency assessments

[Solicitation pp. 13 & 14] The Department also sought bids for 1) Payloads/Sensors, 2) Batteries/Accessories, 3) Software/Licensing, and 4) Services/Training for each platform.

[Solicitation p. 13] The Solicitation provided for up to three awards per manufacturer but did not guarantee three such awards. [Solicitation pp. 14 & 16] The Solicitation included the following bid schedule:

Line	Category	Description	Vendor Discount %
1	Aircraft / Drone Platforms	Complete unmanned aerial systems, aircraft frames, and integrated drone platforms manufactured by Skydio, Freefly Systems, Inspired Flight Technologies, Wingtra, and Quantum Systems . Vendor shall provide a percentage discount applicable to all eligible models from these manufacturers.	_____ %
2	Payloads / Sensors	Cameras, LiDAR, thermal sensors, mapping payloads, and other mission equipment for drone platforms manufactured by Skydio, Freefly Systems, Inspired Flight Technologies, Wingtra, and Quantum Systems . Vendor shall provide a percentage discount applicable to all eligible models from these manufacturers.	_____ %
3	Batteries / Accessories	Batteries, chargers, propellers, landing gear, cases, controllers, and related accessories for drone platforms manufactured by Skydio, Freefly Systems, Inspired Flight Technologies, Wingtra, and Quantum Systems . Vendor shall provide a percentage discount applicable to all eligible models from these manufacturers.	_____ %
4	Software / Licensing	Flight software, mapping software, analytics platforms, subscription services, and licensing for drone platforms manufactured by Skydio, Freefly Systems, Inspired Flight Technologies, Wingtra, and Quantum Systems . Vendor shall provide a percentage discount applicable to all eligible models from these manufacturers.	_____ %
5	Services / Training	Training, maintenance, integration services, consulting, and technical support for drone platforms manufactured by Skydio, Freefly Systems, Inspired Flight Technologies, Wingtra, and Quantum Systems . Vendor shall provide a percentage discount applicable to all eligible models from these manufacturers.	_____ %

[Solicitation p. 50] The bid price was “to be in the form of a percentage discount to apply to each of the categories of an approved MSRP¹ list” published by the manufacturer for each eligible product. [Solicitation pp. 12 & 13] The discount each vendor offered was to be the same for all manufacturers offered by the vendor. [Amendment 1, p. 1, Question and Response 1] For example, if Vendor A bid a discount of 10% for “Aircraft/Drone Platforms” and Vendor A was offering to provide Skydio and Wingtra UAS platforms, Vendor A’s price for both Skydio and Wingtra would be 10% off the MSRP for each platform.

The Solicitation included a description and example of how the Department would calculate the lowest bids. That description and example address two scenarios, one involving multiple awards by category and single award for all categories.² [Solicitation p. 18]

CALCULATING THE LOW BID

The low bid will be determined based on the percentage discounts submitted by vendors for each category in the Bid Schedule (Attachment N). The vendor offering the highest discount in a category will be considered the low bidder for that category. If the solicitation provides for a single award, the total of all category discounts will be summed, and the vendor with the highest aggregate discount will be deemed the low bidder. All discounts apply to all qualifying items from the approved manufacturers (Skydio, Freefly Systems, Inspired Flight Technologies, Wingtra, and Quantum Systems) and are firm for the contract term.

Example Discount Evaluation Table

Category	Vendor A Discount %	Vendor B Discount %	Vendor C Discount %	Highest Discount	Low Bid Vendor
Aircraft Drone Platforms	10%	15%	12%	15%	Vendor B
Payloads / Sensors	5%	7%	6%	7%	Vendor B
Batteries / Accessories	8%	10%	9%	10%	Vendor B
Software / Licensing	12%	10%	11%	12%	Vendor A
Services / Training	7%	8%	7%	8%	Vendor B
Total Discount (if aggregate)	42%	50%	45%	–	Vendor B

By the deadline for receipt of bids, the Department received four bids. [Exhibit B] On May 28, the Department posted a notice of its intent to award three contracts, one to Duncan-Parnell, Inc, one to Gresco Supply, Inc., and one to Safeware, Inc. [Exhibit D] On June 1, Frontier protested.

¹ Though not expressly defined in the Solicitation, MSRP is generally understood to mean a manufacturer’s suggested retail price.

² The method of determining award is somewhat confusing and depending on how you interpret it, lends itself to unbalanced bidding. For example, if one bidder bid a discount of 100% for training, it would skew the aggregate discount rate higher. However, the cost of training would appear to be a small component of the whole cost of a platform.

On June 3, DOT responded to Frontier's protest. On June 18, Gresco responded to the protest.
[Exhibit E]

DISCUSSION

Frontier challenges the meaningfulness of the discounts offered by the awarded vendors, arguing that the discounts are based on higher base rates than those offered by Frontier. If each manufacturer has a standard MSRP, then the base rate is the same for each vendor. Frontier's protest implies that there are no standard MSRP's for the products sought by the Department and, therefore, each offeror was free to develop and use its own base price for each product and then offer a discount off that internally developed base price.

While Gresco's asserts in its response that its "proposal was prepared and submitted in full compliance with the requirements of the solicitation," it does not say its pricing discounts were based on an MSRP published by each manufacturer. Instead, Gresco's response state's "Gresco's pricing reflects commercially established manufacturer pricing and is not based on adjusted or inflated baseline pricing structures."

When asked if it had MSRP lists for each of the five manufacturers identified in the solicitation, DOT responded "[t]he DOT does not have a Manufacturer's Suggested Retail Price (MSRP) list for the five approved manufacturers identified in the solicitation (Skydio, Freefly Systems, Inspired Flight Technologies, Wingtra, and Quantum Systems)." [Exhibit F] When asked if it knew whether each of these manufacturers had an MSRP list, DOT responded:

We did not request Manufacturer's Suggested Retail Price (MSRP) lists from the approved manufacturers as part of the solicitation process. Therefore, I cannot confirm whether the manufacturers maintain or provide MSRP lists for their products.³

[Id.]

When asked to provide the MSRP lists they used for purposes of their bid, three of the four offerors provided Excel lists that were largely the same for each manufacturer they bid and due to pricing consistency obviously based on pricing obtained from the manufacturers. However,

³ An internet search suggests that not all of the listed manufacturer's have a published MSRP.

they were not identical in every respect.⁴ Moreover, the offeror providing the largest discount by far responded to the CPO's request for its MSRP price list for the manufacturers it bid by stating:

To clarify our submittal, Safeware's proposal pricing information offered is consistent with our standard commercial pricing for each Pricing Table Discount Category as listed in the Bidding Schedule. **This is a discount off Safeware's published catalog price list (41% discount) for the associated product categories and is consistent across all our national contracts. Safeware did not discount off the manufacturer's suggested retail price (MSRP) for each category.**

[Exhibit G] [emphasis supplied]

The Procurement Code is silent on how prices must be compared in a competitive procurement, but the process must have a rational basis. *Appeal by GPS Insight*, Panel Case No. 2021-1. To be rational, the process must allow for a meaningful comparison of price, and the prices must bear a reasonable relation to the actual costs to the State. *Id.* (finding methodology for evaluating price lacked a rational basis where the price evaluation prevented an "apples to apples" comparison).

Here, the lack of a standard, published MSRP for all manufacturers has prevented a meaningful comparison of the discounts offered. Without a standard MSRP, each vendor was free to set their own baseline "MSRP" before applying a discount. If a vendor set a high MSRP, it could likewise offer a higher discount. But this would not necessarily provide the State with better value when compared to a vendor applying its discount against a lower MSRP. The price comparisons, therefore, prevented an "apples to apples" comparison and lacked a rational basis.

⁴ With the exception of the price lists for Inspired Flight, each of the provided lists appear to have been prepared internally by the offeror providing the list using pricing available from the manufacturer. Each list is ordered and formatted differently. However, in each of these cases, it appears that where one offeror's list covers the same item as another, the pricing is the same and the only real difference is in the number of items covered by each list. With respect to Inspired Flight, two offerors provided lists that were nearly identical in order and formatting and appear to have been prepared by the manufacturer with modifications by the offerors. In this case, not all the pricing is identical. There are other ways in which the two lists are not identical as well. For example the Excel workbook for one has seven worksheets while the other has only four.

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DECISION

For the foregoing reasons, the CPO grants the protest of Frontier and remands this matter to the Department to proceed in accordance with the Procurement Code.

A handwritten signature in blue ink, reading "John St. C. White", is positioned above a horizontal line.

John St. C. White
Chief Procurement Officer

Columbia, South Carolina

STATEMENT OF RIGHT TO FURTHER ADMINISTRATIVE REVIEW

Protest Appeal Notice (Revised July 2025)

The South Carolina Procurement Code, in Section 11-35-4210, subsection 6, states:

(6) Finality of Decision. A decision pursuant to subsection (4) is final and conclusive, unless fraudulent or unless a person adversely affected by the decision requests a further administrative review by the Procurement Review Panel pursuant to Section 11-35-4410(1) within ten days of posting of the decision in accordance with subsection (5). The request for review must be directed to the appropriate chief procurement officer, who shall forward the request to the panel or to the Procurement Review Panel, and must be in writing, setting forth the reasons for disagreement with the decision of the appropriate chief procurement officer. The person also may request a hearing before the Procurement Review Panel. The appropriate chief procurement officer and an affected governmental body shall have the opportunity to participate fully in a later review or appeal, administrative or judicial.

Copies of the Panel's decisions and other additional information regarding the protest process is available on the internet at the following web site: <http://procurement.sc.gov>

FILING FEE: Pursuant to Proviso 111.1 of the 2025 General Appropriations Act, "[r]equests for administrative review before the South Carolina Procurement Review Panel shall be accompanied by a filing fee of two hundred and fifty dollars (\$250.00), payable to the SC Procurement Review Panel. The panel is authorized to charge the party requesting an administrative review under the South Carolina Code Sections 11-35-4210(6), 11-35-4220(5), 11-35-4230(6) and/or 11-35-4410...Withdrawal of an appeal will result in the filing fee being forfeited to the panel. If a party desiring to file an appeal is unable to pay the filing fee because of financial hardship, the party shall submit a completed Request for Filing Fee Waiver form at the same time the request for review is filed. *[The Request for Filing Fee Waiver form is attached to this Decision.]* If the filing fee is not waived, the party must pay the filing fee within fifteen days of the date of receipt of the order denying waiver of the filing fee. Requests for administrative review will not be accepted unless accompanied by the filing fee or a completed Request for Filing Fee Waiver form at the time of filing." PLEASE MAKE YOUR CHECK PAYABLE TO THE "SC PROCUREMENT REVIEW PANEL."

LEGAL REPRESENTATION: In order to prosecute an appeal before the Panel, business entities organized and registered as corporations, limited liability companies, and limited partnerships must be represented by a lawyer. Failure to obtain counsel will result in dismissal of your appeal. *Protest of Lighting Services*, Case No. 2002-10 (Proc. Rev. Panel Nov. 6, 2002) and *Protest of The Kardon Corporation*, Case No. 2002-13 (Proc. Rev. Panel Jan. 31, 2003); and *Protest of PC&C Globals, LLC*, Case No. 2012-1 (Proc. Rev. Panel April 2, 2012). However, individuals and those operating as an individual doing business under a trade name may proceed without counsel, if desired.

**South Carolina Procurement Review Panel
Request for Filing Fee Waiver
1205 Pendleton Street, Suite 366, Columbia, SC 29201**

Name of Requestor

Address

City

State

Zip

Business Phone

-
1. What is your/your company's monthly income? _____
 2. What are your/your company's monthly expenses? _____
 3. List any other circumstances which you think affect your/your company's ability to pay the filing fee:

To the best of my knowledge, the information above is true and accurate. I have made no attempt to misrepresent my/my company's financial condition. I hereby request that the filing fee for requesting administrative review be waived.

Sworn to before me this
_____ day of _____, 20_____

Notary Public of South Carolina

Requestor/Appellant

My Commission expires: _____

For official use only: _____ Fee Waived _____ Waiver Denied

Chairman or Vice Chairman, SC Procurement Review Panel

This _____ day of _____, 20_____
Columbia, South Carolina

NOTE: If your filing fee request is denied, you will be expected to pay the filing fee within fifteen (15) days of the date of receipt of the order denying the waiver.