

CLIENT ALERTS

FAR Council Clarifies Rule Regarding SAM Registration and Eligibility for Award

Client Alert

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On August 7, 2025, the Federal Acquisition Regulation (“FAR”) Council issued a Final Rule, amending FAR 52.204-7, which governs System for Award Management (“SAM”) registration for prospective contractors. The intent of the rule is to help government contractors, especially small businesses, avoid being deemed ineligible for award, as the result of minor lapses in SAM registration.

SAM.gov is the official government website for contractors who want to do business with the government. SAM.gov, where required representations and certifications are to be made, is the central registry of all such contractors and registration is a prerequisite to receiving a contract or grant from the government.

FAR 52.204-7 previously required that offerors “be registered in SAM when submitting an offer or quotation and shall continue to be registered until time of award,” effectively requiring contractors to maintain an active SAM registration during the totality of the often-lengthy solicitation process. Indeed, the US Court of Federal Claims and the Government Accountability Office (“GAO”) both interpreted the prior rule to allow agencies to disqualify potential awardees based on any lapse in SAM registration (including even a 24-hour lapse) during the solicitation period. See, e.g., *Myriddian, LLC v. The United States*, 165 Fed. Cl. 650 (2023); *TLS Joint Venture, LLC*, B-422275, 2024 CPD ¶ 74 (Apr. 1, 2024).

The FAR Council hopes, with this clarification—that SAM registration is only required at the point when the offer is submitted and when the award is granted—will help prevent frustrating bid protest litigation outcomes, resulting in contractors not being awarded grants based on minor clerical errors.

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The Federal Government still expects that contractors stay current and be registered in SAM continuously throughout the award process. However, they did not want a small lapse of time between the offer being submitted and the award being granted to be a disqualifying factor. There is still some question as to whether the requirement to be registered is at the time of the initial offer or at the time of the final offer. Because of this lack of clarity, it is recommended that all contractors ensure they are completely registered in SAM before they submit their initial offer.

Contractors need to ensure that they submit renewals and initial SAM registrations with enough time for the whole registration process to be completed. The GAO's ruling in *TLS Joint Venture, LLC* emphasizes that the court views registration to mean all steps are complete and the government has validated all mandatory data fields and marked the record as "Active." Simply submitting all required documents for registration is not enough to comply with the regulation. It should also be noted that this rule does not change the requirement found in FAR 52.204-13(c) that contractors maintain an active SAM registration during contract performance up through final payment.

Members of Butzel's Aerospace and Defense Practice have extensive experience advising contractors on all aspects of the bidding process. We encourage you to reach out to the authors of this Client Alert or your Butzel attorney for further information.

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