

Request for Limited Sources Memo  
**LIMITED SOURCES JUSTIFICATION**  
ORDER >\$3,000  
FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 101-13-3-3619-0047

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

8.405-6(B) Only one source is capable of providing the supplies or services required at the required level because the supplies or services are unique or highly specialized.

**Restricted to the following source:**

Contractor: Northrop Grumman

Contractor POC & phone number: Mr. Lee Calvert 571-313-2876

Contractor Address: 15010 Conference Center Drive, Chantilly VA 20151

The requested material or service represents the minimum requirements of the Government.

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs

VHA Workforce Management & Consulting Office (WMC)

Healthcare Talent Management Office (HTM)

55 N. Robinson, Suite 1010

Oklahoma City, OK 73102

VISN: VHACO

**(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:**

HTM is requesting a sole source justification for award of a Federal Supply Schedule contract to Northrop Grumman (NG) on GSA Schedule GS-35F-4506G to provide project management services to plan the implementation of the Electronic Employee Performance Appraisal (ePM) application, using ePower, and the planning and implementation of this Department of Veterans Affairs (VA) ePM Application Pilot, for all non-bargaining Veterans Health Administration (VHA) Executive Career Field (ECF) employees.

This contract shall build upon the assessment performed by Northrop Grumman in 2010 and 2011 under Task Order No. 116-C00081, during which Northrop Grumman and HTM developed requirements for an ePM application for the ECF employees, and validated several key requirements through the delivery of an ePM Proof of Concept. The ECF ePM Pilot shall leverage these activities to plan the implementation of ePM application for approximately 35,000 ECF employees in VHA.

The ePM ECF Pilot shall demonstrate cost savings and efficiencies through automation of the current ECF Performance Management process, access to reports, automation of employee performance data collection within data sources from HTM's WebHR application and the transfer of completed performance forms to the Electronic Official Personnel Folder (eOPF) application hosted by the Office of

Personnel Management's (OPM) Enterprise Human Resources Integration (EHRI) program at the National Business Center (NBC). A Firm Fixed Price (FFP) Task Order is contemplated, to include the labor services necessary to complete the ePM ECF Pilot project management for implementation.

**(3) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:**

(a) This requirement provides project management services that are specifically related to HR Modernization initiatives. The Contractor shall provide personnel services needed to support key objectives as stated in the Statement of Work, specifically:

- Contract Documentation Deliverables
- Workgroup Facilitation / Requirements validation
- Requirements documentation
- Project Management & Support for Implementation
- Technical & Functional Post-Launch (60 days)
- Writing User Guide
- Project Schedule Management (through go-live + 60 days)
- Requirements & Business Analysis Support (through go-live + 60 days)
- Status meetings

The Contractor has a thorough understanding of VA's ECF performance management requirements, including data sources from HTM's WebHR application to plan for the synchronization and automation of the current ECF Performance Management process. The Contractor also has experience working with e.POWER, the document management/workflow (DM/WF) product selected by the Office of Personnel Management for their eOPF solution. The contractor is able to plan the implementation for HTM including transmitting electronic performance material (forms and data) from the ePM into the eOPF. This would be done using e.POWER to leverage VA's investment in the ePM Proof of Concept and in eOPF.

**(b) ESTIMATED DOLLAR VALUE:** \$250,030.50

**(c) REQUIRED DELIVERY DATE:** The period of performance is 6 months upon contract award.

**(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.**

Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

Northrop Grumman will provide project management services to plan the implementation of the Electronic Employee Performance Appraisal (ePM) application. The work provided is in support of the Department of Veterans Affairs (VA) ePM Application Pilot, for all non-bargaining Veterans Health Administration (VHA) Executive Career Field (ECF) employees. The application (ePM) is built on Northrop Grumman's proprietary software tool, ePower. The Software, Specifications, Services and Documentation, and any copies of any of them, are proprietary to Northrop Grumman. Currently, there are no other vendors licensed by Northrop Grumman to provide services associated with our ePM

application. Northrop Grumman is the only vendor to provide services associated with the Northrop Grumman ePM application within the Federal Government.

Northrop Grumman's ePM solution is the only tool that currently interfaces with the OPM's eOPF application. A successful interface with eOPF is a mandatory VA requirement, as the agency is currently manually scanning performance forms into eOPF. As a result of the successful completion of the ePM Proof of Concept, Northrop Grumman possesses the knowledge of VA performance management and VA systems necessary to meet the Government's requirements. Northrop Grumman's ePM solution has achieved success at the Department of Justice, Bureau of Prisons (DOJ BOP) and the Department of Energy (DOE), both of which have achieved OPM acceptance of their performance policy, which is automated through the solution.

A patent, copyright or proprietary data limits competition. The proprietary data is: e.POWER, the document management/workflow (DM/WF) product selected by the Office of Personnel Management for their eOPF solution.

These are "direct replacements" parts/components for existing equipment.

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The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

Northrop Grumman's ePM solution is the only tool that currently interfaces with the OPM eOPF application. A successful interface with eOPF is a mandatory VA requirement, as the agency is currently manually scanning performance forms into eOPF. Since 2010, over 650,000 performance plans have been scanned into eOPF.

The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

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An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

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**(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

The \$150,000 estimated cost for piloting an automated performance management program for approximately 35,000 ECF employees is estimated to be \$.23 cents per person and it eliminates paper processes. This is directly comparable to the current scan and forward processes used in VA at a cost of ~ 650,000 performance plans @ \$7.50 per scan = \$4.875M total cost for ensuring paper performance forms are included in the eOPF. This is a direct savings of \$4.725M dollars.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**

A Notice of Intent to Sole Source (RFI VA701-130I-0294) was posted to FBO.gov (8-15-13 through 8-19-2013) and did not receive any responses.

I contacted OPM Contracting Officer Lois Jones and Contract Specialist Marie Boucher with the Enterprise Human Resources Integration Contracting Office. They provided a list of direct awards to NG for ePerformance services off BPA (OPM17-10-A-0001) and expired BPA (BPA490400028) on behalf of OPM for the corresponding agencies listed below.

Dept of Justice Previous BPA

- Contract Number: BPA490400028
- Order Number: BPC490900025

Dept of Justice New BPA

- Contract Number: OPM17-10-A-0001
- Order Number: W0045

Dept of Energy

- Contract Number: OPM17-10-A-0001
- Order Number: W0013
- Order Number: W0062

Northrop Grumman was also contacted for a statement that they are the only vendor licensed to provide this service. NG provided a statement to the VA that no other vendors are licensed to perform services associated with the EPM application. Therefore, NG providing these proprietary products and services; are the only contractor that can provide an ePM application specific to VA ECF requirements and the eOPF as they relate to this contract.

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

This effort represents a natural extension to the ePM Proof of Concept, during which Northrop Grumman proved that they are uniquely qualified to meet VA's needs for the automation of performance management.

The purpose of the ePerformance Proof of Concept (POC), completed in 2011, was to define the Executive Career Field (ECF) requirements associated with the ePerformance product, and to validate that several key technical dependencies were possible. Specifically; data sharing between ePerformance and the VHA Leadership and Workforce Development system that houses WebHR ARPA, sending completed performance plans to the electronic Official Personnel Folder (eOPF), viewing performance data applied to the VA ECF Performance Form, and the completion of a 'demo-ready' ePerformance system, to demonstrate ECF requirements. The intention of the POC was not to produce a production-ready system, and it was therefore not used in a production capacity.

The ePerformance Pilot initiative differs from the POC, in that the Pilot will result in the implementation of a production-ready ePerformance system, to be used by approximately 35,000 VHA executive career field employees and all Senior Executives. The functional requirements and technical dependencies validated during the POC will be leveraged to implement a production ready system. In addition to the ECF requirements defined during the POC, the Pilot will also include the implementation of OPM-

mandated requirements for Senior Executive Service (SES) performance management. In support of this initiative, Northrop Grumman will provide project management services and support, including Risk Management, Change Management, Training and Quality Management.

At the conclusion of the Proof of Concept in 2010 and 2011, the following were successfully demonstrated through Northrop Grumman's ePM solution:

1. Integration with HTM's WebHR portal;
2. Acceptance of the appropriate Department of Veterans Affairs (VA) data elements through a data view, as coordinated with the VHA Leadership and Workforce Development (VHALWD) system;
3. The ability to create performance plans within the ePM application, to view performance information as applied to VA's 3482e form and to route the performance plan through an HTM-specific workflow;
4. Transfer of the appropriate final rating and supporting data elements to the VHA Leadership and Workforce Development system, through a data view; and
5. The ability to transmit VA's performance form to the Electronic Official Personnel Folder (eOPF).

The impact of not awarding this sole source contract includes:

- a) Continuance of paper processes for performance management,
- b) Continuation of Day Forward processing (scanning) of performance material to eOPF, including a significant cost associated with this task on a yearly basis,
- c) Manual data collection and reporting of key performance management milestones,
- d) Archaic method of managing and archiving performance documents.

**(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:**

The department plans on adding a performance management module in 2017, if funding is available, to the human resources information systems effort that will eventually replace the existing personnel system. Also, OPM is considering offering performance management programs in a fee for service model but those efforts just started and are in the evaluation phase of build or buy an existing product.

**(9) REQUIREMENTS CERTIFICATION:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

Crystal Cruz  
SIGNATURE  
Crystal Cruz  
NAME  
Deputy Director  
TITLE  
8-28-2013  
DATE  
HTM Program Office  
SERVICE LINE/SECTION

\_\_\_\_\_  
FACILITY

**(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(d):**

**a. CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


  
\_\_\_\_\_  
CONTRACTING OFFICER'S SIGNATURE

8/28/2013  
\_\_\_\_\_  
DATE

\_\_\_\_\_  
Joseph Senkovich

\_\_\_\_\_  
Program Contracting Activity Central  
FACILITY

**c. PCM:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

  
\_\_\_\_\_  
SIGNATURE

8/28/13  
\_\_\_\_\_  
DATE

\_\_\_\_\_  
Richard Dahmen  
Program Contract Manager  
Program Contracting Activity Central