

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
23 Christopher Way
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is for a firm-fixed-price (FFP) contract for program management support services to assist with the programmatic and administrative efforts of the VA, Office of Information & Technology (OI&T), Customer Relationship Management (CRM) Office and its associated program areas. The Contractor shall provide VA OI&T CRM with the expertise and knowledge to support the CRM program areas and evolving future requirements necessary to accomplish the OI&T Strategic Objective 3.1, entitled "Achieve High Levels of VA Internal Customer Satisfaction and Confidence," contained within fiscal year 2013 - 2015 Information Resources Management (IRM) Strategic Plan, published March 28, 2014. In accordance with Federal Acquisition Regulation (FAR) 6.302-1(c)(1)(ii)(A), this justification is covering only the portion of this action which is brand name; namely the American Customer Satisfaction Index (ACSI) methodology. The period of performance for this action shall include a 12-month base period and four 12-month option periods, if exercised.
3. Description of Supplies or Services: VA OI&T works to improve customer satisfaction which is a key strategic objective, as stated in the OI&T IRM Strategic Plan. OI&T Objective 3.1 has mandated VA OI&T CRM to develop and implement the processes and methodologies necessary to achieve this objective. The ACSI methodology is a proprietary methodology which is licensed and owned by American Customer Satisfaction Index, LLC and was the methodology used to measure customer satisfaction within VA for the last 10 years and within OI&T since 2011. As such, there is an enormous archive of historical trend data or longitudinal (multi-year) data created using this methodology.

VA OI&T has a requirement for program management support services that shall provide the CRM office with the expertise and knowledge base to support the CRM program areas. To comply with the OI&T IRM Strategic Plan, an overall VA OI&T ACSI score of 76 by fiscal year 2015 and a VA facility level minimum ACSI score of 72 by fiscal year 2017 is desired. To accomplish this objective, the VA OI&T CRM office focuses on six program areas that include: 1) Customer Communications; 2) Business Intelligence Data Sciences; 3) Customer Service Improvement; 4) Customer Forums; 5) Service Level Management; and 6) Customer Satisfaction Metrics. The success of these six program areas are driven by the utilization of the ACSI methodology to analyze trend data received from customer satisfaction surveys.

[REDACTED]

4. Statutory Authority: The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1) as implemented by FAR 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."
5. Rationale Supporting Use of Authority Cited Above: VA has accumulated a large amount of longitudinal data that is needed for comparison purposes for future survey results and to provide a base for all future statistical and analytical efforts. ACSI methodology is proprietary and therefore cannot be replicated. Using another methodology to trend future data would not be possible or compatible with current customer satisfaction data. Based on market research, described in paragraph 6 of this document, it has been determined that limited competition is available for this procurement. Accordingly, this is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer; namely, ACSI, LLC. The ACSI methodology has been used in Government since 1999, when it was selected by the General Services Administration as the measurement methodology for the first Government-wide initiative to measure Customer Satisfaction. Since 1999, the ACSI methodology has measured over 100 federal programs which provide a large base against which VA OI&T can benchmark itself. Subsequently, VA OI&T has been using the ACSI methodology to tabulate and analyze OI&T annual information technology customer satisfaction survey results since 2011, and as such, has invested a tremendous amount of time and capital resources into establishing a customer service measurement methodology that:
 - Produces actionable results at the facility level on categories of products and services, as well as at the aggregate enterprise-wide level to drive decision-making that best supports VA OI&T goals and objectives and assists VA OI&T in determining how to best allocate resources to meet its organizational goals;
 - Accurately predicts which specific components, when improved, will have the most positive impact on customer satisfaction and productivity;
 - Benchmarks with other Government agencies and private sector companies who provide similar services. This allows VA OI&T to accurately compare itself against other federal and private sector entities that support informed decision making by VA senior leadership.

The loss of trending and benchmarking capabilities will have a severe negative operational impact on the CRM program. If another methodology is considered, additional internal costs of approximately \$2.5 million would be incurred as new scoring metrics would have to be created and communicated, new processes and policies would have to be created and distributed, and process improvement initiatives would need to be revamped. The ability to collect data has matured to the point where VA OI&T can now measure satisfaction of services and products independently of each other, allowing for more actionable information of drivers and satisfaction. A critical Key Performance Indicator has been developed and its

implementation is tied to continued use of ACSI to measure customer satisfaction. Moving to a new methodology would negate all of the work effort that has been performed to date as it relates to VA owned longitudinal data. Additionally, the negative opportunity cost that would be incurred by the program with respect to time would have an additional negative operational impact on the program because everything that has been completed to date would have to be completed again with the new methodology. Lastly, CRM would have to contend with the inherent imprecision of having to compare VA OI&T's results against the results generated by other federal and private sector entities that continue to use ACSI. If a new methodology is inserted into the longitudinal data, the data will become mathematically imprecise because the survey results will be evaluated differently because of how the new methodology deals with the results, which would compromise all data or results obtained to date since it is based on ACSI scores.

6. Efforts to Obtain Competition: Market research was conducted in April 2014 to identify vendors that could potentially meet the requirements of the CRM Office. Details are in the market research section of this document. The market research identified and evaluated the four leading industry methodologies based on organizational requirements. Market research revealed that ACSI is a proprietary methodology to ACSI, LLC. Additional market research was conducted using web searches, periodicals and telephonic interviews with the Department of Interior to ascertain the identities of companies that were licensed to utilize the ACSI methodology. There are at least nine known companies that are currently authorized to provide the proprietary ACSI scoring methodology and associated software that meet the requirements. Additionally, the proposed action will be synopsisized on the Federal Business Opportunities (FBO) Page in accordance with FAR 5.201, and the justification along with the solicitation will be made publicly available in accordance with FAR 6.302-1(c)(1)(ii)(C). Any proposals that are received through the synopsis posting shall be evaluated.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed.

8. Market Research: Market research was conducted in April 2014 by reviewing several methodologies that measure customer satisfaction similar to that of ACSI.

While [REDACTED] companies provide similar methodologies to measure customer satisfaction, none are capable of providing benchmarks that would allow VA to tie in historical longitudinal data from prior ACSI methodology surveys to effectively compare customer satisfaction scores to similar federal agencies and private sector companies, as required for this effort. Therefore, only authorized providers of the brand name ACSI methodology are capable of trending the VA-owned current customer satisfaction data, and starting a new methodology would not be compatible with past customer surveys.

9. Other Facts: None.