

Request for Limited Sources Memo

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: TBD

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.

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

Program Contracting Activity Central

6150 Oaktree Blvd, Suite 300

Independence, OH 44131

VHA Program Office: Workforce Management & Consulting Office (WMCO)

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

WMCO is requesting a limited source justification for award of a Federal Supply Schedule contract to Northrop Grumman (NG) on GSA Schedule GS-35F-4506G requesting project management, technical configuration of VHA specific performance plans and workflows, customized training, and support services to continue the implementation of the Electronic Employee Performance Management (ePM) Application under a full, second phased pilot, using e.Power, and the planning and implementation of this Department of Veterans Affairs (VA) ePM Application Pilot, for all Bargaining Unit (BU), Executive Career Field (ECF), and Senior Executive Service (SES) employees at select pilot sites within the VA and existing pilot sites identified for participation in Pilot 1.0 which is nearing completion.

This contract shall build upon the assessment performed by Northrop Grumman in 2010 and 2011 under Task Order No. 116-C00081, and Task Order No. VA701-13-F-0223 during 2013 and 2014, during which Northrop Grumman and Healthcare Talent Management (HTM) developed and successfully tested requirements for an ePM application for the ECF and SES employees, and validated several key requirements through the delivery of an ePM proof of concept and initial pilot first phase. The ePM Pilot 2.0 shall leverage these activities to plan the implementation of ePM application for approximately 20,000 bargaining unit employees, 5,000 Veterans Health Administration (VHA) Executive Career Field (ECF) employees, and 200 VA Senior Executive Service (SES) employees.

The next phase of the ePM Pilot shall continue to demonstrate cost savings and efficiencies through automation of the current Performance Management process, access to reports, automation of employee performance data collection within data sources from HTM's VHA Leadership Workforce

Development (VHALWD) system 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. A Firm Fixed Price (FFP) Task Order is contemplated, to include the labor services necessary to complete this next pilot phase of the ePM Pilot including project management, configuration of VA specific performance plans and workflows for all of VA's various employee types, system design and interoperability interfaces with HTM's existing VHALWD system, and specific, targeted training to ensure successful pilot implementation for the various audiences covered under this pilot period of performance.

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

- (a)** This requirement provides professional 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
- Performance plan(s) business rules and requirements implementation
- Workflow analysis, design, and configuration for the remain VA performance plans and work streams
- Project Management & Support for Implementation
- Technical & Functional support (entire period of performance)
- Writing of User Guides that meet 508 compliance standards
- User specific training based on system roles
- Project Schedule Management (entire period of performance)
- Requirements & Business Analysis Support (entire period of performance)
- Status meetings

The Contractor has a thorough understanding of VA's performance management requirements, including data sources from HTM's VHALWD system to plan for the synchronization and automation of all current Performance Management processes. 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 sustain 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 first pilot phase, and in eOPF.

(b) ESTIMATED DOLLAR VALUE: \$1,769,836.94

(c) REQUIRED DELIVERY DATE: The period of performance is January 1, 2015 through December 31, 2015 (12 Months).

(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 professional 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 VA bargaining unit employees, VA non-bargaining employees, VHA ECF employees, and VA SES employees. The ePM application is built on Northrop Grumman's proprietary software tool, e.Power. The Software, Specifications, Services and Documentation, and any copies of any of them, are proprietary to Northrop Grumman. Currently, no other vendors are licensed by Northrop Grumman to provide services associated with the 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), all 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) software 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 manually 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.

(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 labor rates under this GSA TO have already been determined fair and reasonable. The Contracting Officer will ensure the quote is evaluated by the program office to ensure the level of effort and mix of labor is acceptable. Based upon this the Contracting Officer will be able to make a best value determination.

(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# VA701-15-N-0012) was posted to FBO.gov (10-20-14 through 10-31-2014) and there were no responses received. Additionally extensive market research including a Sources Sought (RFI# VA701-13-I-0294) was accomplished and resulted in the same findings in Aug 2013 prior to awarding the initial pilot on a sole source basis to Northrup Grumman.

Below is a list of current government customers other than VA utilizing Northrup Grumman's ePower and ePerformance application on a sole source basis:

Department of Justice

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

Department of Energy

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

National Credit Union Association

- Contract Number: GS-35F-4506G
- Order Number: 350002069
- Requisition Number: 300001413

Broadcasting Board of Governors

- Contract Number: GS-35F-4506G
- Order Number: BBG50-J-14-0157
- Requisition Number: 1500-14-QW-00069

Northrop Grumman (NG) 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 due to its proprietary software platform.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

This effort represents a natural extension to the ePM first pilot phase, during which Northrop Grumman successfully demonstrated 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.

Following the POC, ePerformance Pilot 1 was conducted to continue on the success of the POC and successfully demonstrate that bigger audiences of ECF and SES employees could be facilitated from a system support, training, and workflow process enabling completion of the whole performance management cycle for VA. Pilot 1 was designed to allow the completion of VA's end of year performance cycle. Pilot 1.0 ends December 31, 2014.

The ePerformance Pilot 2.0 Initiative differs from the POC and the first pilot, in that the second pilot phase will result in the continued implementation of a production-ready ePerformance system, to be used by approximately 20,000 bargaining unit employees, 5,000 ECF employees and all Senior Executives. The functional requirements and technical dependencies validated during the previous pilot and POC will be leveraged to add the additional VA specific performance plans, performance cycles, and associated workflows. In support of this initiative, Northrop Grumman will provide project management services and support, workflow configuration that adheres to VA's specific performance management requirements, Risk Management, Change Management, Training and Quality Management.

At the conclusion of the Proof of Concept and the Pilot 1.0, the following were successfully demonstrated through Northrop Grumman's ePM solution:

1. Integration with HTM's WebHR portal and VHALWD system;
2. Acceptance of the appropriate Department of Veterans Affairs (VA) data elements through a data view, as coordinated with the VHALWD system;
3. The ability to create performance plans within the ePM application, to view performance information as applied to VA's 3482e and 3482 forms and to route the performance plan through an VA specific workflows;
4. Transfer of the appropriate final rating and supporting data elements to the VHALWD system, through a data view; and
5. The ability to transmit VA's final performance form package 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) Meeting the outlined performance management initiatives under Veteran Affairs Access to Care Act (VAACA),
- c) Continuation of Day Forward processing (scanning) of performance material to eOPF, including a significant cost associated with this task on a yearly basis,

- d) Manual data collection and reporting of key performance management milestones,
- e) No automated reporting of metrics and analysis of performance directly related to competencies, goals and standards,
- f) 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 VA plans on adding a performance management module in 2019, 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.)*

SIGNATURE

David Perry

NAME

Healthcare Talent Management (10A2A4)

FACILITY

Program Director

TITLE

DATE

12 Nov 14

Enterprise System Management

SERVICE LINE/SECTION

(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

NATHAN E. PENNINGTON

DATE

11-13-2014

Program Contracting Activity Central

FACILITY

b. **Director of Contracting/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


SIGNATURE

11-13-2014
DATE

ACTING
RICHARD DAHMEN
PCAC Director of Contracting

HIGHER LEVEL APPROVAL (Required For orders over \$650,000):

c. **SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

Randy L. Hays 534204

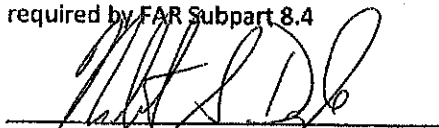
Digitally signed by Randy L. Hays 534204
DN: dc=gov, dc=va, o=internal, ou=people,
0.9.2342.19200300.100.1.1=randy.hays@va.gov, cn=Randy L. Hays 534204
Date: 2014.11.24 12:10:52 -08'00'

SIGNATURE

DATE

RICKY LEMMON
Director, SAOC

d. **VHA HCA REVIEW AND APPROVAL (over \$650,000 to \$12.5 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4


NORBERT DOYLE
Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

11/25/14
DATE