

## **JUSTIFICATION AND APPROVAL FOR AN EXCEPTION TO FAIR OPPORTUNITY**

### **1. Contracting Activity**

Department of Veterans Affairs (VA)  
Strategic Acquisition Center – Frederick (SAC-F)  
321 Ballenger Center Drive, Suite 125  
Frederick, MD 21703

### **2. Description of Action**

This activity proposes to negotiate a new, noncompetitive award (sole source, logical follow-on) with Calibre Systems, Inc. (CSI) for the procurement of the existing Federal Procurement Data System (FPDS) audit support services currently being provided under contract VA798-11-D-0123, task order VA798-12-J-0053, which was competitively awarded. This follow-on effort is being conducted under the authority of the indefinite delivery vehicle contract VA798-11-D-0123, that has an ordering period ending September 26, 2016. The anticipated period of performance, of the follow-on contract, is from February 1, 2016 to July 31, 2016. The proposed action is for a six-month, firm-fixed price (FFP) contract (bridge). The total estimated value of this acquisition is

### **3. Description of the Supplies or Services**

The Department of Veterans Affairs (VA), Office of Acquisition and Logistics (OAL), Enterprise Acquisition Systems Service (EAS) is tasked with supporting the ongoing quality assurance of VA's procurement information, including verifying and validating VA contract data reported in the FPDS. EAS seeks acquisition services in support of these tasks.

The passage of the Federal Funding Accountability, Transparency Act of 2006 and subsequent activation of the USAspending.gov and the Recovery.gov websites have increased public access and interest in Federal procurement and other Federal spending data. FPDS is the current, centralized repository for information on Federal contracting. In 2008, EAS began auditing VA contract data in FPDS and plans to continue in order to meet the below Federal guideline.

The Office of Federal Procurement Policy (OFPP) issued a memorandum, *Improving Federal Procurement Data Quality - Guidance for Annual Verification and Validation*, requiring that the VA's Chief Acquisition Officer (CAO) annually certify that the agency's previous fiscal year's FPDS records are complete and accurate. This certification is submitted to the OFPP and the General Services Administration (GSA).

VA is committed to ensuring FPDS data is accurately reported. VA policy stipulates that all procurement and contract information be entered into eCMS, which interfaces directly with FPDS. Below is Fiscal Year (FY) 2015's total number of contract files eligible for FPDS audit broken down by fiscal Quarter:

*Table 1: Breakdown of Eligible Contract Files for Audit for FY15*

<b>Total Eligible Contract Files for Audit*</b>				
	<b>Quarter 1 (Q1)</b>	<b>Quarter 2 (Q2)</b>	<b>Quarter 3 (Q3)</b>	<b>Quarter 4 (Q4)</b>
<b>Fiscal Year 2015</b>	32,987	35,031	32,349	42,000
* During FY 16, VA anticipates a 15% growth in the number of contracts eligible for audit.				

These services are considered performance based severable services that are available in the commercial marketplace. The total estimated value of this acquisition is broken by task below:

#### **4. Statutory Authority**

The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c) as implemented by FAR Subpart 16.505(b)(2)(i)(C), entitled: "The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order."

#### **5. Rationale Supporting Use of Authority Cited Above**

SAC-F awarded task order VA798-12-J-0053 to CSI on January 12, 2012 to perform audits of FPDS data. This requires the use of a statistically valid process to compare randomly selected FPDS Contract Action Reports (CAR) to the corresponding contract files. OFPP specifies which FPDS data elements must be compared and provides guidance for determining a statistically valid sample set. CSI performs the VA's FPDS Audit by comparing the CARs selected from FPDS to the contract files stored in eCMS.

CSI has been providing these technical services to EAS for nearly four years and has a detailed understanding of the requirement, which includes task and deliverable guidelines to ensure consistent compliance with OFPP memorandum, *Improving Federal Procurement Data Quality - Guidance for Annual Verification and Validation*.

This detailed understanding of EAS and its functionality allows CSI to be suited to provide the required services without any down-time or introductory period, which could otherwise be inefficient to the Government and cause substantial delays in reporting. During performance of the existing task order, CSI has successfully provided the required service, has worked through recruitment costs, and has established a system for tracking and providing staff that have a well-rounded understanding of the VA's systems and policies. A change of contractors at this time would require a complete change in existing staff, with added costs associated with reviewing new credentialing packages and conducting orientation, during which time no services would be provided.

The VA cannot sustain the risk of a break in service for the FPDS audit because this audit is mandated by OFPP. Not awarding this short term bridge contract would severely impact EAS's operations as the department would be non-compliant with this mandate and could introduce risk to the agency by providing inaccurate data to VA acquisition professionals who use this information to make informed procurement decisions. The VA is required to submit the annual FPDS Audit Report to OFPP with the underlying reassurance that the agency's procurement data is complete, accurate and timely. Additionally, the re-competition effort has been significantly delayed due to shortfalls in funding that needed congressional appropriation prior to approval of EAS's management. Finally, awarding a new contract to a different contractor without a comprehensive transition period, which involves workload transition, potential staff exchange, and a probable program management learning curve, could be damaging to the continued success of EAS.

The existing contract with CSI is scheduled to expire on January 31, 2016. It is critical to continue services to ensure that a lapse in service does not occur as the agency must remain compliant with the OFPP memorandum *Improving Federal Procurement Data Quality - Guidance for Annual Verification and Validation*. The existing contract was competitively awarded. Three offers were received and the total awarded amount was \$6,799,095.24. This total award amount included tasks that will not be included in this follow-on. Only those tasks necessary to ensure continued OFPP compliance will be included in this bridge (see Table 2).

## **6. Other Facts**

The importance of allocating the proper amount of time that is necessary to conduct a legitimate procurement would require a four to five month timeframe. The period of performance on the current CSI contract listed above will be concluded by January 31, 2016; therefore, a bridge contract is necessary to avoid a lapse in service. Additionally, attempting to openly compete and complete this particular effort in a timely matter would be realistically impractical. It is in the best interest of the VA and

participating industry members to work towards procuring a larger, more permanent services contract, which will be completed by the Contracting Officer/Specialist within the next few months following the issuance of this bridge contract.

**7. Statement of actions, if any the agency may take to remove or overcome any barriers that led to the exception to fair opportunity before any subsequent acquisition for the supplies or services is made.**

EAS is currently working with SAC-F to competitively award a long term service contract to continue these tasks. Thus, a six-month bridge contract awarded to CSI, which this Justification and Approval supports, affords EAS and SAC-F sufficient time to conduct a proper procurement.

**8. Technical and Requirements Certification**

I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Torriel Mason

Date: \_\_\_\_\_

EAS Compliance Division Lead

Signature: **Torriel Mason**

**9. Fair and Reasonable Cost Determination**

**328142**

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ou=people,  
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on@va.gov, cn=Torriel Mason 328142  
Date: 2016.01.08 14:40:07 -05'00'

I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on an analysis of the contractors price to continue these services. The contractors priced labor hour rates will be verified to confirm that they do not exceed the established benchmark labor rates in the contractors base ordering contract. The level of effort and the mix of labor proposed will be evaluated to determinate that the total price is reasonable for the effort. The Contracting Officer will seek additional price discounts of the established hourly labor rates on the base contract.

Lora Gross

Date: 1/8/2016

Procuring Contracting Officer

Signature: \_\_\_\_\_



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**10. Determination by the Approving Official that FAR 16.505(b)(2)(i)(C) Applies to this Order**

I hereby determine that FAR Subpart 16.505(b)(2)(i)(C) applies to this order as supported by the information found herein.

Lora Gross

Date: 1/8/2016

Procuring Contracting Officer

Signature: \_\_\_\_\_



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## 11. Procuring Contracting Officer Certification

I certify that this justification is accurate and complete to the best of my knowledge and belief. As this contract action does not exceed \$700,000, the certification below required by FAR 16.505(b)(2)(ii)(C)(1) serves as approval.

Lora Gross

Date: 1/8/2016

Procuring Contracting Officer

Signature:  

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