

## LIMITED SOURCE JUSTIFICATION

1. Contracting Activity: Department of Veterans Affairs (VA)  
Strategic Acquisition Center  
10300 Spotsylvania Avenue, Suite 400  
Fredericksburg, VA 22408
  
2. Description of Action: The proposed action is a limited source justification to modify an existing Federal Supply Schedule (FSS) order; VA119-14-F-0053, awarded to Logistics Management Institute (LMI). The purpose of this action is to increase the Labor Hour ceiling for Contract Line Item Number (CLIN) 2002 for Ad Hoc Strategic Planning Services.
  
3. Description of the Supplies or Services: The Office of Acquisition, Logistics and Construction (OALC) has a continued need to acquire Ad Hoc Strategic Planning Services provided in task order VA119-14-F-0053. The services include, but are not limited to, assistance in developing new strategic metrics and performance measures to determine progress in achieving VA acquisition goals/objectives. There is also a provision for experienced facilitators to lead discussions on management issues such as strategic planning for the Office of Acquisition, Logistics, and Construction that cannot be conducted during the regularly scheduled Review and Analysis (R&A) or Acquisition Executive Council (AEC) sessions. CLIN 2002 is used to fund Ad Hoc Strategic Planning Services needed outside of the R&A and AEC sessions. The total increase to the labor hour ceiling is \$425,000.00.
  
4. Authority: This acquisition is conducted under the authority of the Multiple-Award Schedule Program. The statutory authority permitting this action is the Multiple Award Schedule Program (Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251), Title 40 U. S. C. 501, Services for Executive Agencies) and Federal Acquisition Regulation (FAR) 8.405-6(a)(1)(i)(C), in the interest of economy and efficiency, the new work is a logical follow-on to a competed FSS task order.
  
5. Rationale Supporting Use of Authority Cited: When this task order was awarded it was stated in the Performance Work Statement (PWS) that approximately 4,000 hours of Ad Hoc Strategic Planning Services per year would be required. That amount of hours was based on the need for Ad Hoc Strategic Planning Services in previous years and incorporated in the independent Government cost estimate. At the time of the initial cost estimate calculations, OALC was not aware of the changing VA-wide structure that the new VA Secretary has introduced and as a result did not include a sufficient number of hours needed for option year two. The Government was also unaware of the changing strategic goals and initiatives that the new OALC Principle Executive Director

(PED) / Acting Chief Acquisition Officer (CAO) may bring to OALC. The change in leadership has led to unexpected changes in strategic direction. Specifically, there have been major transformational initiatives to two OAL organizations. The VA Acquisition Academy (VAAA) and OAL's Acquisition Human Capital Management Services have both acquired new Executive Directors in late 2015, and both require additional support during this option period (April 30, 2016- April 29, 2017). A major OALC re-alignment initiative was also issued in April 2016. Based on these changes, additional ad hoc support is required from LMI. The specific extent and duration of tasks are unknown at this time, but OALC leadership expects a need for approximately 2611 hours.

Therefore, a ceiling increase of \$425,000 to labor hour CLIN 2002 is required to provide Ad Hoc Strategic Planning Services needed to address these changes. Ad Hoc Strategic Planning tasks normally arise from discussions and support provided during regularly R&A and AEC session. LMI is currently providing strategic planning support for both sessions, as well as, various Ad Hoc Strategic Planning Service tasks that arise on task order VA119-14-F-0053. It would not be possible to issue a separate task order or compete each Ad Hoc Strategic Planning task since tasks include major transformational efforts that need to be implemented shortly after identification is made during R&A and AEC sessions. Due to the importance of the ad hoc tasks, the task order states LMI has 24 hours to provide the Government a proposed plan to complete the ad hoc task, to include a cost estimate. The requirement for a 24 hour response was included in the initial solicitation and is based on the fact that OALC executive leadership has historically required a rapid response aspect to ad hoc tasks that would allow an immediate response to a specific problem or need. Strategic implementation requires a rapid response to problems or needs that are discovered in the process of implementation, and sometimes in response to strategic direction from the OALC Principal Executive Director or the Secretary of Veterans Affairs. Knowledge gained through performance of the contract, specifically, during regular R&A and AEC sessions is required for the Ad Hoc Strategic Planning Services that arise, and to ensure the 24 hour requirement can be met. The knowledge gained through support provided during regular R&A and AEC sessions gives LMI specific insight into VA's strategic direction, priority initiatives, and pressing challenges in acquisition. Ad hoc strategic planning services often involve further analyzing or supporting the implementation of strategic efforts that are discussed in the R&A or AEC forums, or through developing the OALC Strategic Plan and Strategic Plan Addendum, another requirement of the current task order. The need for 2611 additional hours stems from two or more expected ad hoc tasks that are needed during option year two. One ad hoc task will result in approximately 756 total hours comprised of various labor categories listed in the task order. Further ad hoc tasks will result in approximately 1855 total hours comprised of various labor categories listed in the task order. These calculations are based on Government estimates developed using similar ad hoc tasks issued in previous years.

For the purposes of providing these Ad Hoc Strategic Planning Services, and in the interest of economy and efficiency, the additional ad hoc strategic planning hours needed is a logical follow-on to task order VA119-14-F-0053.

6. Determination of Best Value: The Government has the option to compete each Ad Hoc Strategic Planning task that arises in option year two, but the time and effort required to do so, in addition to the loss of knowledge that cannot be gained in a timely manner if not awarded to LMI, would not be the most practical strategy. If an initial estimate is not provided within the 24 hour times frame and tasks are not started in a timely manner, major transformational initiatives could be delayed and prevent VA senior leaders from making important decisions. This ceiling increase will represent the best value to the Government as well as result in the lowest overall cost alternative, to meet the Government's needs, when compared to the cost and benefits associated with competing each ad hoc task. It has been determined that the proposed contract action represents the best value to the Government. When the Strategic Implementation Services task order was awarded, a price analysis of each price quote was accomplished by the Contracting Officer to evaluate the reasonableness and completeness of the quoted prices based upon having adequate price competition. A discount from the incumbent's General Services Administration (GSA) Mission Oriented Business Integrated Services (MOBIS) published rates was provided and all prices were determined to be fair and reasonable. Prior to the start of each Ad Hoc Strategic Planning task, an Independent Government Cost Estimate is developed and compared to LMI's projected cost based on the labor mix and hours to ensure fair and reasonable pricing.

7. Market Research: Extensive market research was conducted prior to award of the Strategic Implementation task order in 2014. Market research included Internet searches and dialog with contractors on GSA MOBIS schedule, Special Item Number (SIN) 874.1, Integrated Consulting Services. The objective was to identify companies with Government Performance and Results Act implementation consulting experience as demonstrated through the appropriate labor categories on their GSA Schedules. In April 2014, a Request for Quotation (RFQ) was posted on GSA E-buy for Strategic Planning Services resulting in two quotes. LMI's quote provided the best value based on the evaluation factors and criteria identified in the RFQ and received the task order award. LMI will provide any additional Ad Hoc Strategic Planning Services required utilizing the same labor categories and labor rates in the GSA task order that have been determined fair and reasonable. A review of GSA Professional Services Schedule contractor price lists for similar labor categories was accomplished in May 2016 and identified comparable rates for similar labor categories with the level of experience and education LMI employees possess.

8. Other Facts: None.

