

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 Deloitte Consulting, LLP (“Deloitte”) for the procurement of the existing Acquisition Program Management Framework (APMF) execution, implementation, and maintenance services currently being provided under contract VA798-11-D-0124, task order VA119A-14-J-0344, which was competitively awarded. This is being conducted under the authority of the indefinite delivery vehicle General Services Administration (GSA) schedule GS-00F-0028Y, which ends on May 9, 2020. The current contract awarded to Deloitte is set to expire on September 21, 2017. The anticipated period of performance of the follow-on contract is from September 22, 2017, to September 21, 2018. The proposed action is for a 12-month, firm-fixed price (FFP) task order. The total estimated value of this acquisition is [REDACTED].

3. Description of the Supplies or Services

The Department of Veterans Affairs (VA) Office of Acquisition and Logistics (OAL) is tasked with APMF implementation across the VA. OAL seeks assistance in the execution, implementation, and maintenance of the APMF framework across the VA which includes on-boarding of programs into the established Framework, program management support for both OAL and programs executing within APMF, continuous improvement of existing tools and processes, and organizational change management (OCM) in support of these tasks. Levels of service are designed to meet the current need of VA and transition to a more self-supporting environment as APMF is adopted across VA. OAL needs to adopt a comprehensive organizational model to deliver the wide range of services needed to support its customers. OAL identifies Ongoing Services as the most prevalent requirement during the early phases of APMF acceptance within the VA. As the APMF model matures and is accepted, requirements for support will transition through Onboarding Services to Web-based Services, which requires the least amount of support from the OAL office. Figure 1 identifies the three proposed levels of service required by APMF customers.

Justification & Approval OAL AMPF

| Web-Based Services | Onboarding Services | Ongoing Services |
|---|---|--|
| <ul style="list-style-type: none"> • Reply to inquiries with direct, timely, and individualized responses • Direct program team to APMF web-based training • Send APMF updates to program team members via email • Provide access to APMF Pulse group and page • Provide program team with APMF reference material and user guides | <ul style="list-style-type: none"> ✓ <i>Provide all web-based services</i> • Appoint APS staff member to serve as a dedicated POC to program team during onboarding • Assess the current state of the program's data and documentation for onboarding • Determine the program's current phase for onboarding • Enter acquisition program data in APMF program database for onboarding • Facilitate an onboarding kick-off meeting with program team to outline key elements of APMF and verify FAC-P/PM certifications • Flag programs for upcoming DEs and PMRs to prompt preparation | <ul style="list-style-type: none"> ✓ <i>Provide all onboarding and web-based services</i> • Appoint APS staff member to service as a dedicated POC to program team • Hold Level-Setting Leadership meeting(s) with business owner to provide overview of APMF and recommendations for next steps with program team • Assist with the maintenance of performance data in the APMF Database • Review and provide feedback on program artifacts as they are created • Assess the program's data and documentation prior to Des and PMRs |

Figure 1: Levels of APMF Service Available

TASKS & DESCRIPTIONS

The following is a list of tasks with corresponding descriptions of activities required for this logical follow-on. Each of the tasks identified below is a natural evolvement from the tasks identified in the current contract awarded to Deloitte.

| Task | | Description |
|----------|--|--|
| 1 | APMF Program Management Office Support | <ul style="list-style-type: none"> • Identifying, assessing, mitigating internal risks • Monitoring performance • Managing APMF Controls |
| 2 | Process Integration (external) | <ul style="list-style-type: none"> • Ensuring APMF alignment to external processes such as the Office of Information Technology's (OI&T) Veterans-focused Integration Process (VIP), the Office of Construction and Facilities Management (CFM) policy, the Federal Acquisition Regulation (FAR), and other federal acquisition policies • Alignment of APMF to federal/industry-leading best practices |
| 3 | Process Improvement (internal) | <ul style="list-style-type: none"> • Adapting OAL APMF processes based on new or changing stakeholder requirements • Adapting APMF to stakeholder feedback using Lean Sigma methodologies and Define, Measure, Analyze, Improve, Control (DMAIC), and Six Sigma processes through lessons learned • Identifying and addressing APMF capability shortfalls in collateral, tools, reporting processes, etc. |
| 4 | Strategic Planning and Analysis | <ul style="list-style-type: none"> • Aligning to overarching VA strategic priorities outlined in the original charter: prioritize Veteran outcomes as a measure of success, improve VA's operational efficiency, establish consistent support services, and "put Veterans in control of how they are |

| | | |
|-----------|--|--|
| | | <p>served”</p> <ul style="list-style-type: none"> • Determining program eligibility in accordance with APMF Policy • Prioritize programs for Customer Relationship Management (CRM) support; determining importance/organizational interest and appropriate service offering to be rendered • Providing customers with an understanding of VA strategic needs and updates to APMF |
| 5 | Personnel and Program Support | <ul style="list-style-type: none"> • Supporting OAL staff • Ensuring alignment with VA/federal/industry-leading practices • Aligning to VA strategic initiative to advance program/project management (PM) culture |
| 6 | Customer Relationship Management (CRM) | <ul style="list-style-type: none"> • Executing prioritizations identified within the Strategic Planning & Analysis workstream • Providing “APMF Services” in alignment with Figure 1 • Tracking programs and service offerings provided • Consulting with programs on data reporting |
| 7 | Organizational Change Management (OCM) | <ul style="list-style-type: none"> • Providing recurring stakeholder assessments (e.g., key stakeholder list, willingness, satisfaction) • Resolving barriers to adoption once APMF is fully deployed • Advancing program/project management culture |
| 8 | Tools | <ul style="list-style-type: none"> • Assessing and improving User Experience Design (UXD) based on user feedback • Managing tools development • Managing product development • Verifying accurate entry into the APMF database and providing Quality Assurance and Control |
| 9 | Knowledge Management (KM) | <ul style="list-style-type: none"> • Creating and managing the APMF resources library • Capturing and sharing successes, milestones, lessons learned • Making information accessible to PMs across the VA • Directing the process and dissemination of information • Generating and managing APMF materials (e.g., recommending new APMF Policy changes.) • Recommending examples of use of best practices, as necessary |
| 10 | Communications | <ul style="list-style-type: none"> • Sending mass web-based communications to update stakeholders on policy, operations, and lessons learned • Drafting articles, updates, and APMF tools with feature-specific content to inform a wider VA audience about APMF • Sharing information live (e.g., presenting to broader group, and conferencing with Program Management Center of Excellence (PMCOE) and the Program Management Knowledge Area (PMKA) for virtual roadshows; re-sharing information on webpages as “FAQs” • Serving as the public face of APMF; directing inquiries and fielding general questions relating to the Framework. The contractor will not entertain nor address questions containing sensitive or contract data; the contractor will recommend means by which certain information is distributed to wider audiences |

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

| <i>Estimated Cost Per Tasks for Follow-On:</i> | | |
|---|---|-------------|
| Task | | Cost |
| 1 | APMF Program Management Office (PMO) Functions | [REDACTED] |
| 2 | Process Integration (external) | [REDACTED] |
| 3 | Process Improvement (internal) | [REDACTED] |
| 4 | Strategic Planning and Analysis | [REDACTED] |
| 5 | Personnel and Program Support (VAAA, PMIAA) | [REDACTED] |
| 6 | Customer Relationship Management (CRM) | [REDACTED] |
| 7 | Organizational Change Management (OCM) | [REDACTED] |
| 8 | Tools (SharePoint Database and Dashboard, Templates, User Guides) | [REDACTED] |
| 9 | Knowledge Management (KM) | [REDACTED] |
| 10 | Communications | [REDACTED] |

4. Statutory Authority and Supporting Rationale

The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c) as implemented by FAR Subpart 8.405-6(a)(1)(C), entitled: "In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Support Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures."

SAC-F awarded task order VA119A-14-J-0344 to Deloitte on September 18, 2014 against SAC-F's Services for Program Excellence and Corporate Transformation Umbrella (SPECTRUM) Indefinite Delivery/Indefinite Quantity (IDIQ) contract. SPECTRUM is a multi-award contract that was competed among GSA Mission Oriented Business Integrated Services (MOBIS) Federal Supply Schedule holders. Deloitte is one of the SPECTRUM awardees and the contract was awarded against its GSA Schedules GS-100F-0083L and GS-23F-0044V.

The purpose of this task order is to perform APMF execution, implementation, and maintenance services based on recommendations provided by MITRE Corporation, a Federally Funded Research and Development Center (FFRDC).

Deloitte has been providing these technical services to OAL for 28 months and has spent considerable time and effort developing the APMF to ensure that it will be functional, as well as accepted and implemented VA-wide. Additionally, Deloitte has gained a detailed understanding of the requirement, which includes tasks and

deliverables to ensure consistent execution, implementation, and maintenance of APMF. With the renewed interest of program management improvement within the Federal Workspace, the interest and requirement for APMF has a faster rate than anticipated by the OAL Program Management Office (PMO).

This detailed understanding of APMF and its functionality allows Deloitte 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. During performance of the existing task order, Deloitte has successfully provided the required services, has worked through recruitment costs, and has established a system for 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.

While the current contract's period of performance ends September 21, 2017, it is necessary to identify continuing requirements now. The VA cannot sustain the risk of a break in service for the APMF implementation because of the need to adhere to developing requirements for project and program management improvement with the codification of S.1550, the Program Management Improvement and Accountability Act (PMIAA), which significantly increases the number of programs the VA will need to on-board in a timely manner. This is in addition to meeting existing statutes such as the Services Acquisition Reform Act (SARA). Not awarding this additional work would severely impact OAL's operations as OAL would be overwhelmed with program management requirements from across the VA and face serious challenges to successfully implement APMF. Additionally, with the pending signing of the APMF policy, OAL is preparing for the expanded effort of identifying, on-boarding and providing support to programs throughout the VA. During the existing contract period, Deloitte has invested an immense amount of time to understand not only APMF, but also the role of APMF as it aligns to newly enacted legislation. Awarding a new contract to a different contractor without a comprehensive transition period, which involves workload transition, potential staff exchange, knowledge transfer, and a probable program management learning curve, could be damaging to the continued success of OAL. Re-competing this requirement is not feasible to the success of APMF, and would result in substantial duplication of cost to the Government that is not expected to be recovered through competition.

The existing contract with Deloitte is scheduled to expire on September 21, 2017. The existing contract was competitively awarded. Three offers were received and the total awarded amount was [REDACTED]. Additional work was modified to the initial award during Option Year One, bringing the total awarded amount to [REDACTED]. The total awarded amount has since been corrected due to mathematical rounding to [REDACTED].

5. Description of the market research conducted among schedule holders and the results or a statement of the reason market research was not conducted.

While other contractors may have experience with the implementation and maintenance services involved in acquisition program management frameworks, none have the unique knowledge of OAL's AMPF and its functionality that Deloitte possesses. This knowledge is necessary to seamlessly and expeditiously complete the implementation phase for VA to work toward meeting PMIAA and SARA statutes. Thus, additional market research beyond that completed for the initial task order was not conducted.

6. Other Facts

The sole-source task order is advantageous to the Government as Deloitte has been instrumental in the execution, implementation, and maintenance services for AMPF, and has gained technical expertise in its understanding of the complexity surrounding acquisition program management within the agency. Its understanding and demonstrated performance is critical to the mission and could not be replaced in a reasonable period by any other source without duplicating efforts achieved during the current task order.

The importance of allocating the proper amount of time that is necessary to conduct a competitive procurement would require a one year timeframe. The period of performance on the current Deloitte task order will be concluded on September 21, 2017. Attempting to openly compete and complete this particular effort in a timely matter would be realistically impractical.


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.

This method of awarding follow-on contracts is not considered a barrier to competition. Deloitte was the successful contractor under competition that was conducted for the services currently in place.

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.

Date: _____



Signature: _____

9. Fair and Reasonable Cost Determination

I hereby determine that the anticipated price to the Government for this modification 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 contractor's GSA Schedule. 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.

Date: _____

Procuring Contracting Officer

Signature: _____

10. Procuring Contracting Officer Certification

I certify that this justification is accurate and complete to the best of my knowledge and belief.

Date: _____

Procuring Contracting Officer

Signature: _____

12. Legal Sufficiency Certification:

I have reviewed this justification and find it adequate to support an exception to fair opportunity and deem it legally sufficient.

Date: _____

Legal Counsel

Signature: _____

Approval

In my role as Contracting Activity Competition Advocate, based on the foregoing justification, I hereby approve the acquisition of increased support for the preparation of acquisition packages on an other than fair opportunity basis pursuant to the authority cited in paragraph 4 above, subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: _____

Competition Advocate
Deputy Director, SAC-F
Office of Acquisition Operations

Signature: _____