

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval
Limited-Sources Justification

For

Service Orientated Architecture Research and Development (SOARD)
Program and Project Management Support Services (PPMSS)

March 17, 2017

1. Contracting Activity:

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

2. Nature and/or description of the action being approved:

This activity proposes to negotiate a new, noncompetitive task order (sole source, logical follow-on) with Booz Allen Hamilton (“BAH”) for the procurement of the existing Service Oriented Architecture Research and Development (SOARD) execution, implementation, and maintenance services currently being provided under contract VA798-11-D-0122, task order VA119A-14-J-0086, which was competitively awarded. This is being conducted under an indefinite delivery vehicle General Services Administration (GSA) Federal Supply Schedule (FSS), GS-00F-008DA that has an ordering period ending September 30, 2020. The existing task order period of performance ends on June 23, 2017. The anticipated period of performance, of the follow-on task order, is from June 24, 2017 to December 23, 2018. The proposed action is for an 18-month, firm-fixed price (FFP) task order, with a 12-month base period and 6-month option period. The total estimated value of this acquisition is

A new task order is required to complete the accelerated enterprise deployment of MAXIMO™ to approximately 68 sites by March 2018 to meet the 2016 MyVA Transformational Efforts initiated by the VA Secretary. Part of the MyVA Transformational Efforts included direction to transform the VA supply chain. This task order will continue ongoing efforts to deploy MAXIMO™ and establish an “Agile” program management construct for other HSCS programs. Execution of MAXIMO™ deployment is currently divided into seven to eight week “waves”; each wave will complete deployment for between 13 and 22 sites culminating in the completion of all VHA 145 sites required to meet the critical date of March 30, 2018.

3. A description of the supplies or services required to meet the agency's needs (including the estimated value):

This logical follow-on is to continue efforts for Program and Project Management Support Services (PPMSS) for the continued deployment of MAXIMO™ enterprise-wide asset management capability to VHA medical centers (VAMC). Specifically, contractor support is required to complete the enterprise deployment of the MAXIMO™ asset management product within all enterprise VHA facilities, including all system upgrades and post deployment system sustainment support required during the course of performance. At the end of performance, it is expected that national deployment efforts will be complete.

Through the Services for Program Excellence and Corporate Transformation Umbrella (SPECTRUM) Task Order Proposal Request (TOPR) 63, VHA directly responded to the VA Secretary's recommendation to improve the VA Supply chain through the deployment of the MAXIMO™ program. MAXIMO™ is a web-based, enterprise-level, commercial-off-the-shelf (COTS) application that provides life cycle support for all asset types (e.g., medical equipment, building service equipment). MAXIMO™ provides the status and availability of medical center capital equipment and equipment services that are required for medical procedures for Veteran care. This application is proven successful through its use by biomedical engineering, facilities management, and environmental management for managing work orders, scheduling maintenance, safety recalls, and other functions necessary to provide a safe and effective environment of care.

In support of VHA supply chain transformation initiatives, VHA launched the International Business Machines (IBM)'s "MAXIMO™" asset management system, in 2015 under the SOARD program. This initiative directly implements the VA's Blueprint for Excellence via the following:

- Support optimizing technology, simplifying communications, and modernizing infrastructure through deployment of a modern, COTS asset management product, "MAXIMO™";
- Improve VA health care by enabling a more positive service culture through the creation of management processes that are efficient, transparent and demonstrate accountability;
- Improve health care performance and operational effectiveness by enabling clear, concise operational and process improvements and associated metrics and traceability to ensure sustainable employee accountability;
- Enhance performance, encourage innovation, and make best use of resources to enable more timely and informed management decision making through analysis of consistent, reliable supply chain and work order management data; and,
- Improve patient safety through the capability to integrate with modern building automation systems, allowing for close monitoring and prevention of safety issues such sterile equipment processing.

Justification and Approval, SOARD Logical Follow On

The contractor shall provide the SOARD program with continued PPMSS for life-cycle management of the MAXIMO™ solution enterprise-wide rapid deployment. Contractor will ensure VHA's successful deployment of MAXIMO™ to improve VA's current asset management capabilities at the end-user level(s). MAXIMO™ will be deployed through a series of "Waves" or iterations of deployment activities lasting approximately eight weeks in duration. Waves require the execution of a number of simultaneous project activities to be carefully planned for and executed in quick succession to complete rapid enterprise deployment. Once national deployment is complete, the system will be re-baselined for operations and sustainment activities, which include an upgrade to the baseline system. These activities must be managed and executed in a dynamic environment, since delivered capabilities frequently change in an Agile environment to incorporate user feedback and lessons learned from the implementation of Waves. These can change project conditions and the rollout of future Waves.

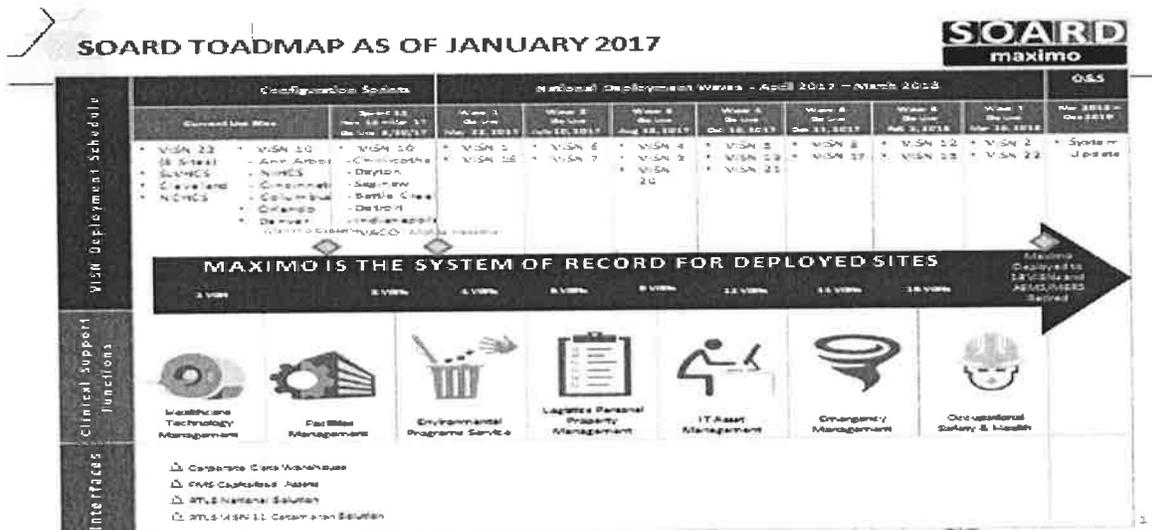


Figure 4, Sprint Rapid Deployment Methodology

Configuration of MAXIMO™ and the mobile capability for National Deployment is scheduled for completion during Sprints 11 and 12 by March 2017. At the conclusion of Sprint 12, MAXIMO™ will be deployed by Veteran Integrated Service Networks (VISN) in a series of "Waves" with Go-Live dates that span twelve (12) months concluding in the March 2018 timeframe. The SOARD Toadmap in Figure 4 represents the current timeline and VISN sequence for National Deployment. Once initial enterprise deployment is complete, program upgrades will commence for system optimal operational performance and sustainment through December 2018. The contractor shall update and execute the approved SOARD deployment plan. This task order continues the existing PPMSS support to complete the national or enterprise deployment of the MAXIMO™ product which will replace the aging VHA facilities use of Automated Engineering Management System (AEMS)/Medical Equipment Reporting System (MERS).

Justification and Approval, SOARD Logical Follow On

The Program Management Office (PMO) intends to continue using the services of BAH for the deployment of the MAXIMO™ solution using an Agile program management deployment methodology under a new task order. Currently, the PMO, in collaboration with the MAXIMO™ deployment contractor BAH, and VHA end-users and stakeholders, is in the process of deploying MAXIMO™ enterprise-wide asset management capability to multiple organizations within VHA at the medical centers, VISNs (regional), and administration (enterprise) levels. The estimated number of end-users is 30,000 with an estimated 7,500 concurrent users. The general deployment process consists of several interrelated activities with possible transitions between them, e.g., deployment of initial Sprints and Waves. These activities are occurring at both the MAXIMO™ side or at the end-users' side, or both any slip in coordination of these services will severely impact VHA mission. Accordingly, the PPMSS is dynamic and utilizes an integrated approach to VA's deployment for asset, service, and facilities management. The integrated approach will enable VHA organizations to closely track, monitor, and efficiently manage their assets at the enterprise level. BAH is currently supporting the deployment of MAXIMO™ at over 145 sites nationwide to complete the task.

These services are considered performance based services that are available in the commercial marketplace. The period of performance for these services is June 24, 2017 through December 23, 2018. The total estimated value of this acquisition is broken by task below:

Task	Cost
1. HCSCS Program/Project Management Office Support	
2. Program and Project Management Support Services PPMSS	
3. SOARD Program Configuration Management Control	
4. SOARD Program Site Readiness and Maximo Deployment	
5. SOARD Program Board and Stakeholders Management Services	
6. SOARD Program Master Work Plan and Schedule Services	
7. SOARD Program Cost Management, Planning, and Reporting Services	
8. SOARD Program Risk Management Services	
9. SOARD Program Research, Analysis, and Technical Writing Services	
10. SOARD Program Facilitation and Meeting Services	
11. SOARD Data Document Management and SharePoint Maintenance Services	
12. SOARD Program Security Assessment and Authorization	

Justification and Approval, SOARD Logical Follow On

Support	
13. SOARD Program Architectural Compliance & Conformity Services	
14. SOARD/MAXIMO Training Support Systems	
15. SOARD/MAXIMO Operations and Sustainment (O&S) Support	
16. Travel	
Total	

4. The authority and supporting rationale and, if applicable, a demonstration of the proposed contractor’s unique qualifications to provide the required supply or service.:

The statutory authority restricting consideration as implemented by FAR Subpart 8.405-6(a)(1)(i)(C), entitled: “In the interest of economy and efficiency, 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.”

In accordance with the provisions of FAR 8.405-6, the original order was competed among the SPECTRUM contractors. SAC-F awarded task order VA119A-14-J-0086 to BAH on June 3, 2014 against SAC-F’s SPECTRUM Indefinite Delivery/Indefinite Quantity (IDIQ) contract. SPECTRUM a multi-award contract that was competed among GSA Mission Oriented Business Integrated Services (MOBIS) Federal Supply Schedule holders. BAH is one of the SPECTRUM awardees and the contract was awarded against its GSA FSS Schedule GS-23F-9755H.

In 2016, within Chapter 5 of the Transformational Efforts of the “MyVA Breakthrough Priority 2016 – T12.0 Transform Supply Chain,” the VA directed the VHA to “Accelerate the deployment of MAXIMO™ to facilitate the replacement of the AMES/MERS system and standardize equipment data across the enterprise.” This accelerated deployment of MAXIMO was unforeseen to VHA and after the award of the original task order. The direction to “accelerate” the deployment of MAXIMO for the remaining sites has become critical and execution of this effort has no room for error. VHA has already acquired IBM’s MAXIMO™ Enterprise Asset Management Software v.7.5 with an unlimited number of user-licenses to replace the aging legacy systems with the COTS, web-enabled, integrated system.

The completion of this transformation will provide common data standards allowing for enterprise level supply chain management of medical equipment and supplies and ultimately, faster provisioning of supplies and improved Veteran care. A logical follow on to BAH for PPMSS is essential to avoid unacceptable delays in fulfilling VA’s MAXIMO™ deployment requirements and avoid a negative impact on Veteran care. BAH has acquired unique qualifications and experiences in MAXIMO™, Program Project Management, MAXIMO™ Program Configuration Management, Site Readiness And MAXIMO™ Deployment, Functional Stakeholder Support,

Justification and Approval, SOARD Logical Follow On

Master Work Planning/Scheduling, Cost Management for both project and information systems work streams. These qualifications were obtained through successful performance under the existing order over the past four years.

The VA requires proficiency that goes far beyond being able to execute traditional PMO support activities for large enterprise system deployments. The VA requires capability and expertise to manage seven simultaneous VA functional work streams, including: Healthcare Technology Management, Facilities Management, Environmental Programs Service, Logistics Personal Property Management, IT Asset Management, Emergency Management and Occupational Safety & Health. BAH has demonstrated competency in these critical areas over the duration of their period of performance.

BAH has also developed expertise and experience executing a site readiness work stream unique to the SOARD/ MAXIMO™ Program. Extensive knowledge and experience in the SOARD/ MAXIMO™ specific data readiness approach is needed to train and support sites in mapping their legacy (AEMS/MERS) data to SOARD/ MAXIMO™'s data standards using the custom data readiness applications. In addition, BAH has extensive knowledge of the AEMS/MERS data which is needed to support sites in related data cleansing activities. Enterprise deployment is planned to occur throughout FY2017 and will culminate in mid-FY2018 with the retirement of all instances of AEMS/MERS, Generic Inventory Package (GIP), and Prosthetics Inventory Package (PIP) across the enterprise. Continuation of project resources for a defined period of time is necessary to complete enterprise solution configuration, deployment, and sustainment in though FY2018. BAH's qualifications and experiences in, MAXIMO™ program project management, MAXIMO™ program configuration management, site readiness and MAXIMO™ deployment, functional stakeholder support, master work planning/scheduling, cost management for both project and information systems work streams make them uniquely qualified to meet the VA's need.

No other vendor would be able to perform the services required to complete deployment of MAXIMO and thus meet the agency's need. BAH possesses unique expertise and qualifications needed to complete deployment of MAXIMO to the remaining sites in the time frame needed. Competition amongst other GSA schedule holders would jeopardize the entire SOARD program and put Veteran care at risk. It would be virtually impossible for another contractor to provide maintenance and complete execution of deployment to meet the critical deadline to replace the AMES/MERS system.

5. A determination by the ordering activity contracting officer that the order represents the best value consistent with 8.404(d). :

I hereby determine that the anticipated price to the Government for this task order action will be fair and reasonable based on an analysis of the contractors price to continue these services. The contractor's 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

Justification and Approval, SOARD Logical Follow On

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.

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

RFI # VA119A-17-N-0008 was issued via email on 10/19/2016 in an attempt to learn if other organizations have experience with MAXIMO™ and projects similar to SOARD. The RFI included a draft version of the Performance Work Statement (PWS) and requested the vendors provide capability statements to reflect whether the vendor has the current capability of performing the work. The RFI closed on 10/28/2016. As a result of the RFI, a total of 14 vendors responded (13 SDVOSB and 1 VOSB). The results demonstrate that while other contractors may have experience with the implementation and maintenance services involved in acquisition program management frameworks, none have the unique knowledge of SOARD, or its functionality for deployment.

A review of the vendors responding to the RFI revealed businesses with general or limited experience with IBM MAXIMO™ and/or limited experience with the VA enterprise or limited experience in deploying similar systems. None of the vendors exhibited relevant experience relative to the size, scope and complexity required under this procurement. None of the businesses are capable of administering nationwide support including the quantity and variety of specialized experience required under this procurement.

7. Any other facts supporting the justification :

The logical follow on task order is advantageous to the Government as BAH has been instrumental in the efforts made to deploy the IBM MAXIMO™ system, as well as gained technical expertise in its understanding of the complexity surrounding this project. BAH's 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 proper amount of time to conduct a competitive procurement would require a one year timeframe. The period of performance on the current task order will be concluded on June 23, 2017. Attempting to openly compete and complete this particular effort in a timely manner would be realistically impractical.

In addition to BAH's unique qualifications, the following support is provided to demonstrate the critical, continued need for momentum for MAXIMO™ deployment and implementation.

- a. The deployment of MAXIMO™ has a profound impact on Patient Safety. Information regarding location, condition, and calibration of equipment and items used in a clinical environment of care is paramount in quality of care to our nation's Veteran population. When products in use within the VA system

Justification and Approval, SOARD Logical Follow On

are subject to VA Patient Safety Alerts and Advisories or a manufacturer product recall, a lack of enterprise and local transparency poses unacceptable risks to patient safety. Currently almost 6% of all Class I product recalls across the enterprise cannot be mitigated. That stands at six times the acceptable range, and thus endangers patients, exposing the department to litigation and potential adverse patient outcomes and consequences. The requested COTS product will serve to mitigate this risk by increasing the ability of individual sites, as well as the enterprise, to see the overall condition, location, and calibration of the equipment and items that are being recalled. The environment in which the patient is cared for is also a factor in the safety of our Veterans. Currently there is a facilities maintenance backlog estimated at \$10 billion. The MAXIMO™ product will serve to allow the facility engineers to reduce that backlog by enabling the establishment of processes to prioritize and satisfy those requests. Because many of these requests directly affect the environment in which the patient is served, rectifying these issues directly enhances patient safety and improves patient care.

- b. The successful rapid completion of this task has a direct impact on VHA's ability to provide greater asset management thereby improving patient care via greater enterprise capital asset accountability and visibility. The implementation of the MAXIMO™ system will improve patient safety and daily medical center operations. Medical Center Operations organizes capital assets and services into nine areas: Healthcare Technology Management, Supply Chain Operations, Logistics Personal Property Management, Environmental Management Prosthetics, Emergency Management, Facilities Management, Occupational Safety and Health and IT Asset Management. Each of these areas maintains and manages equipment that is utilized to provide Veteran/patient healthcare services. For example, the status of a "Surgical Robot" is actively monitored by healthcare technology management. The calibration and service capability of these capital assets must be closely monitored to insure patient safety. MAXIMO™ application monitors the operational status of these assets and provides information to biomedical staff on the critical functionality of these machines. This information provides assurance to the clinical staff that these critical assets are safe for use in medical procedures. A MAXIMO™ enterprise report allows our emergency management team to move critical assets in support of national disasters, such as hurricane Sandy on the east coast. Therefore without the use of MAXIMO™ the VA is at risk of not being able to complete its mission to "Provide eligible Veterans prompt access to quality health care".

- c. Key risk areas:

- 1. VHA is in critical need of enterprise-wide asset management capabilities to manage an expanding inventory of high value assets and to rapidly reposition any asset in times of exigency with greater precision. If a logical follow on task order is not awarded the, National Deployment of a vital VA capability planned for March 2018 will be stopped in its tracks by

Justification and Approval, SOARD Logical Follow On

another year (2019) while efforts are undertaken to secure a new Contract. In addition, another year would be lost to accommodate for the on-boarding of a new Contractor team. Internal VA Engineering teams project that a total of two years would be lost in reprocurement and retraining to successfully deploy SOARD Maximo. Furthermore, work stoppage would prolong the period of time that VHA would have to maintain two systems of record for asset and service management across the enterprise (AEMS/MERS and MAXIMO™). The calculation of the duplication in staff hours required to manage two asset management systems would confirm that between 1.5 and 2 times existing asset management staff personnel would be required to support duplicate systems operations.

2. Lack of proficiency in the SOARD/ MAXIMO™ site and data readiness capabilities puts the SOARD/ MAXIMO™ deployment schedule at risk, and may also lead to delays with dependent supply chain modernization components. For example, the Real Time Location System (RTLS) and the Point of Use (POU) System are part of the VA Supply Chain Modernization effort that are interfaced with Maximo. A stoppage in the deployment of an integrated software solution like Maximo would consequently impact related supply chain components like RTLS and POU which would have to be revised for utilization.
3. The VAMC domains of engineering, housekeeping, nursing services, and biomedical repair all languish from antiquated software support systems that are increasingly failing to stay modern and meet evolving business requirements. SOARD MAXIMO™ provides an enterprise-wide work management and inventory system that can serve as the foundation for improving operational efficiency, and ultimately each Veteran's experience in these areas. In addition, SOARD MAXIMO™ provides a foundational capability into which multiple planned and ongoing efforts will be integrated. Any delay in contract award would greatly reduce the pace of national deployment, pushing the retirement of AEMS/MERS, GIP, and PIP well beyond FY2018 and inhibiting VA's efforts to modernize business processes and enabling systems.
4. Conversely, MAXIMO™ has had a positive impact to patient care exhibited to date; through the creation of common data standards; data cleansing; and successful transition of 68 sites, managing over \$2,197,000,000 in VA assets, by approximately 52,915 active users.

Transformation results in faster provisioning of supplies and ultimately, better care to the Veteran. The ability to provide Program and Project Management Support Services for MAXIMO™ is a highly specialized, major enterprise level supply chain asset and service management system deployment. Previous attempts to implement enterprise-wide asset management systems have been unsuccessful. Program Management of this major effort requires highly specialized experience with

Justification and Approval, SOARD Logical Follow On

Program Management of this major effort requires highly specialized experience with the VHA enterprise deployment of the current MAXIMO™ system. Momentum gained from successful pilot implementations must continue uninterrupted with BAH to meet agency transformation timelines for full enterprise deployment to be completed by March 2018 and necessary upgrades and training by December 2018.

8. **Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers that led to the Restricted Consideration before Making subsequent acquisitions for the supplies or services required:**

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

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 and belief.

Date: March 20, 2017

Lead Program Manager,

Signature: _____

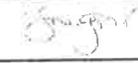
10. **Fair and Reasonable Cost Determination:**

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.

Lora Gross

Date: 3/20/2017

Procuring Contracting Officer

Signature: 

Digitally signed by lora.gross@va.gov
DN: cn=lora.gross@va.gov
Date: 2017.03.20 10:39:50 -0400

11. **Procuring Contracting Officer Certification:**

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

Lora Gross

Date: 3/20/2017

Justification and Approval, SOARD Logical Follow On

Procuring Contracting Officer

Signature:  _____
Digitally signed by
lora.gross@va.gov
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Date: 2017.03.20 10:40:16 -04'00'

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.

Clint Druk

Date: _____

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

Signature: clint.druk@va.gov _____
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