

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 \$2,000,000.00, broken by task below:

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

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: _____

Management Program Analyst, ASI

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.

TBD

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.



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

Date: _____

Signature: _____

**ADDENDUM TO THE JUSTIFICATION AND APPROVAL
FOR AN EXCEPTION TO FAIR OPPORTUNITY**

for

Acquisition Program Management Framework (APMF) Implementation Requirement

1. Program Office:

Office of Acquisition and Logistics (OAL)

2. Purpose:

The purpose of this addendum is to add subsequent market research data to supplement the basis for the sole source justification that was prepared by the Program Office and approved by the previous Contracting Officer on February 23, 2017, and by VA's Office of General Counsel on March 2, 2017.

3. Background:

In furtherance of the previously approved sole source justification, on June 2, 2017, the Contracting Officer submitted a 2268 for review and approval by VA's Office of Small and Disadvantaged Business Utilization (OSDBU). On June 9th, the OSDBU Representative completed his review of the sole source acquisition strategy and provided a non-concurrence of the 2268 and underlying strategy. Following several exchanges between the Contracting Officer and the OSDBU Representative, it was agreed that additional market research would be necessary to ensure compliance with VA's "Rule of Two". Specifically, VA is in the process of clarifying its procurement policy regarding whether a Contracting Officer if the "Rule of Two" trumps the logical follow-on exception to fair opportunity (in other words, the Contracting Officer would be required to confirm whether capable and interested SDVOSB and/or VOSB vendors exist, prior to making any sole source award under the logical follow-on exception to competition).

The OSDBU representative suggested the Contracting Officer issue an RFI, targeting SDVOSB and VOSB vendors to determine if any are interested and capable of performing the required work. The OSDBU representative stated that leaving the RFI open for at least seven days should be sufficient for confirming the existence of such SDVOSB/VOSB vendors.

The Contracting Officer issued an RFI on July 10, 2017 via FedBizOpps.gov. Two SDVOSB or VOSB vendors responded with interest and capability statements by the due date and time of July 17, 2017 at 1:00 pm.

4. Market Research Findings:

The following businesses responded to the RFI:

i. **1102 Co. (CVE Verified SDVOSB)**

6920 Braddock Road, Suite B-26

Annandale, VA 22003

DUNS: 078-405275

www.1102co.com

Findings (1102Co.):

On July 19, 2017, the Program Manager from OAL's APMF team reviewed 1102Co's response to the RFI. The Program Manager determined that 1102Co's response is lacking in an understanding of the requirement. Specifically, the following issues were identified:

Section 2.0 of the response does not provide a specific management strategy to oversee the requirements defined in the RFI. 1102Co. was vague in how they planned to manage the program; its approach was generic and loaded with clichés; and their response did not include specifics of how they would actually execute the requirements identified in the RFI. An example follows: *"We manage all program efforts beginning with identifying requirements, and establishing plans to improve processes. We develop metrics for measuring our progress and success, and provide trend analyses to facilitate ease of program management for our clients. From the beginning of each project, we establish our communications plan, peer review process, problem escalation procedures, and reporting requirements. As a result, performance is strictly managed to mitigate risk and capitalize on process improvement."* This statement, while common in proposals, does not provide any specificity to the approach 1102Co will take to implement the Framework.

Section 3.0 of the response indicates that 1102Co. will work **outside** the parameters of the contract to meet the requirements identified in the RFI. For example, 1102Co. states that it, *"begins planning for this phase-in before the release of the solicitation, and, we will continue with the preparation of planed (sic) activities including:"* This is dangerous, as VA cannot ask, nor assume that the offeror is committing resources to the program prior to award. VA also cannot ask, nor assume that the incumbent contractor will provide information or assistance—this would require an increased level of effort to the incumbent's current contract, which also would not be of value to the Government. Secondly, 1102Co. states in Section 3.0 that it has *"not assumed an award date, nor an approximate contract start date"*, but assumes that there is a 30-day transition period in the current contract (there is not) and also that the Government and incumbent would provide an incremental phase-in. The incumbent is not obligated to provide an incremental phase-in. The offeror disregards the RFI information that the start date would occur at the end of the period of performance for the current contract. Furthermore, 1102Co. introduces a set of intervals for transition that are beyond the scope of the

RFI. Moreover, the transition intervals introduced by the offeror are vague in nature, providing no specificity, and identifying proprietary information as the reason for non-disclosure.

Section 4.0 of the response does not identify transition risks or mitigations, though 1102Co. mentions both in the response. For example, 1102Co. states that both transition risk and mitigation strategies are considered proprietary in nature. While the mitigation strategies may be proprietary in nature, the risks are not. This lack of declaration of what the offeror assumes as risks is indicative that the offeror may not have a clear understanding of the requirements identified in the RFI.

Section 5.0 of the response does not provide specifics with regard to the breadth of their experience in management of major programs. 1102Co. gives a generic response with no quantifying data as to the number of programs it has engaged in, value, or size of the programs, nor specific outcomes. This generic and vague response suggests that 1102Co. may not have the relevant experience to engage in a program that is Department-wide such as the APMF.

Section 6.0 makes assumptions with regard to a transition period as well as the availability of experienced practitioners from the incumbent. For example, 1102Co. states that it is not providing an assessment of transition requirements for APMF because the RFI provides little information on the number of programs or scope of programs. This demonstrates a clear lack of understanding as to the requirements outlined in the RFI. VA is seeking an offeror to assess the APMF, conduct process improvement of the APMF, and support Government staff that will be conducting outreach to a variety of VA programs and providing assistance to those programs with regard to onboarding to the Framework. The size, scope and/or quantity of these programs are irrelevant to the offeror. Secondly, 1102Co. states that “extensive research” was conducted on APMF, and that it is similar in format to most basic program management frameworks. While APMF is similar to the Program Management Institute’s (PMI’s) framework, there are specific nuances, such as governance and reporting, that are unique to VA. It is questionable that the offeror, within one week, has been able to conduct “extensive research” on a program that was signed into policy as of May 25, 2017. Additionally, 1102Co. questions the Government’s assertion that a complete change in personnel would be required with a change in offeror, based on offeror’s own experience. The response states, “[1102Co.] take exception to the assertion in the J&A, Section 4, paragraph 4, where it is stated a change in contractors would require a complete change in existing staff. It is our experience this is not the case.” OAL has a concern that the offeror is basing its proposal on its ability to secure the services of personnel from the incumbent contractor. Furthermore, 1102Co. states that they do not have a GSA schedule, which could make qualifying them for a contract unnecessarily cumbersome as 1102Co. would have no pre-approved labor hour rates and no pre-existing contract terms for the Government to rely upon.

Review of the response to RFI Number VA119A-17-N-0331 provided by 1102Co. finds the company does not have the present capabilities to successfully perform the required services without adding significant risk, expense, and inefficiency to VA's APMF program.

ii. **Trilogy Federal, LLC (CVE Verified SDVOSB)**

6507 Haystack Rd.

Alexandria, VA 22310

DUNS: 83-0206749

www.trilogyfederal.com

Findings (Trilogy Federal, LLC):

On July 19, 2017, the Program Manager from OAL's APMF team reviewed Trilogy Federal, LLC's (Trilogy's) response to the RFI. The Program Manager determined that Trilogy's response is lacking in an understanding of the requirement. Specifically, the following issues were identified:

Section 1 of the response includes misleading statements. For example, Trilogy claims to have a strategic relationship with the contractor(s) that has developed the Acquisition Program Management Framework (APMF), and goes on to mention LMI as the originator or the APFM (*sic*) framework. The issue with this statement is that LMI at no time has ever been involved with the development, deployment, or implementation of the APMF Framework. Original work was executed by a combination of FFRDC MITRE, Deloitte, and Booz Allen Hamilton, with Deloitte executing the development over the course of the last three years. Additionally, Trilogy uses the Financial Management Business Transformation (FMBT) effort as an example of a program with which Trilogy has been involved and which has used the APMF. Unfortunately, the FMBT program is not yet following the mandate of APMF.

Section 3.1 of the response indicates Trilogy's misunderstanding of the APMF framework and calls into question its ability to properly support the Government's facilitation of the implementation of the Framework. Trilogy's definition of how they will leverage the Framework identifies a definite misunderstanding of the Framework. Specifically, APMF was not designed as a project management framework, but rather a program management framework. The difference is, at the program level, there may be several sub-programs, or projects within the main program. This may involve the Government's movement and re-allocation of resources (staff and funds) from program/project to program/project and may also involve governance requirements well above a project level.

In Section 3.3 of its response, Trilogy paraphrases the RFI regarding integration and intra-gration without specifically defining the processes to do so, and therefore does not clearly define Trilogy's capabilities. In addition, Trilogy's presentation of their approach conflicts between Section 3.1, where they address the Framework as a *project* management framework, and Section 3.3, where they address the

Framework as a *program* management framework. The APMF multi-Venn diagram, Figure 1 (page 9), outlined by the offeror does not properly represent the Framework, nor does it correspond with what the offeror wrote in section 3.1. While the areas identified in the diagram are parts of program consideration, the Framework only identifies resources in the development of requirements; it is the responsibility of the Program Decision Authority to allocate or re-allocate resources (refer back to the Section 3.1 comment about governance). While this multi-Venn diagram identifies processes that are inter- and intra-grated, it does not identify any specific processes or how they propose to inter- or intra-grate those processes.

Section 3.6 of the response reflects Trilogy's shows a lack of understanding of the maturity of the Framework and therefore the requirements of the RFI. Trilogy says they are being asked to finish creating the APMF framework. This is incorrect because the Framework has been completed and policy has been published. VA is seeking an offeror to assess the APMF, conduct process improvement of the APMF, and support Government staff that will be conducting outreach to a variety of VA programs and providing assistance to those programs with regard to onboarding to the Framework.

Section 4 of the response reflects a lack of understanding of the complexity of the transition needed to ensure continuity for the Framework. While the offeror identifies that they can hit the ground running, its misinterpretation of the requirements of the RFI leads OAL to have concern that there will be a substantial delay due to training and understanding. Trilogy has made incorrect assumptions regarding what the Framework is about and has not displayed a solid understanding of what the RFI entails.

Review of the response to RFI # VA119A-17-N-0331 provided by Trilogy finds the company does not have the present capabilities to successfully perform the required services without adding significant risk, expense, and inefficiency to VA's APMF program.

5. Conclusion:

Based on the Program Office's review of the responses to RFI # VA119A-17-N-0331, the Contracting Officer lacks any reasonable expectation that two or more small business concerns owned and controlled by Veterans will submit offers that would allow for award at a fair and reasonable price that offers the best value to the United States. Accordingly, the Contracting Officer intends to proceed with a logical follow-on procurement as previously approved under the existing Sole Source Justification.

6. Attachments:

- 1) Original Sole Source Justification & Approval
- 2) RFI # VA119A-17-N-0331
- 3) Vendor Responses to RFI # VA119A-17-N-0331

7. Procuring Contracting Officer Certification:

I certify that this addendum to the original sole source Justification and Approval is accurate and complete to the best of my knowledge and belief.

[Redacted Signature]

[Redacted Name]

Contracting Officer

Date