

PERFORMANCE WORK STATEMENT FOR DEPARTMENT OF VETERANS AFFAIRS, OFFICE
OF ASSET ENTERPRISE MANAGEMENT FY 2020 LEASE BUDGET MODEL

A. GENERAL INFORMATION

1. Title of Project: FY 2020 Lease Budget Model

2. Scope of Work: The contractor shall provide all resources necessary to accomplish the deliverables described in this Performance Work Statement (PWS). Each year, VA submits a budget request that includes funding for Leases. This request is intended to cover the immediate needs in the budget year plus one year (advanced appropriation). The Strategic Capital Investment Process (SCIP), as well as leases already in operation and leases in the procurement pipeline, all contribute to the overall budget need for leases VA uses the existing lease budget model to predict the actual budget need for leasing. Office of Asset Enterprise Management (OAEM) commissioned the creation of a lease budget model and implemented it in the FY 17 budget cycle. The lease budget model must be run three times as part of the FY 20 budget cycle. Running the model requires ongoing support and improvements to more accurately predict the upcoming budget.

The contractor shall be responsible for the following: creating and implementing improvements to the current lease budget model to improve accuracy of predictions and functionality; correcting errors in the tool; incorporating the most recent data, including FY 20 SCIP data; and running the model three times for use in the FY 20 budget formulation process and the final lease model for the President's Budget submission.

3. Background:

VA has as its unique mission the delivery of comprehensive assistance and benefits to the nation's Veterans and their families. Through its Veterans Health Administration, the VA is one of the largest direct providers of health care in the world. The Department is also a major land holding agency, with an extensive and diverse portfolio of properties including over 34,000 acres of land and over 7,700 owned and leased buildings at approximately 300 locations nationwide. To manage its property, VA uses all the traditional authorities available to Federal agencies. In many instances these authorities do not adequately address the needs of specific mission or developmental issues. Because of these limitations, exacerbated by on-going budgetary constraints, privatization and income-generation programs have become increasingly important to the Department.

OAEM is accountable for meeting many requirements pertaining to capital asset management. The office oversees capital asset activities to ensure a consistent and cohesive Departmental approach and effective portfolio and asset performance management throughout the asset life cycle. OAEM has primary responsibility for developing and promulgating the governance policies and principles, processes, decision-making and performance measuring systems related to the Department's capital asset management. OAEM coordinates the Department's capital investment planning process, including the production of the Department's Long Range Capital Plan. The office is also tasked to meet mandates in the areas of real property, sustainability, environment, transportation/fleet, and energy management. OAEM programs have Department-wide implications, affecting policy decisions, operation, and procedures for the development and management of VA's capital assets.

In 2004, the VA recognized a legitimate need for developing an analytical approach to estimate the future function, size and location for Veterans' health care facilities. Subsequently, VA adopted and implemented the Capital Asset Realignment for Enhanced Services (CARES) Decision. The CARES Decision became VA's systematic, data driven national plan to maximize Veterans' access to quality care and, through the Secretary's Priority List, the foundation for VA's capital asset management. However, VA also recognized that a substantial monetary investment would be needed and, without the necessary funding from Congress to pursue its much-needed vision, sought to use a highly innovative approach to financing its future by raising capital in private markets. In an effort to obtain significant operating cost reductions and pursue alternative funding sources for Veterans programs, VA is constantly developing and implementing new approaches.

VA's capital asset management process has evolved since the CARES decision was implemented. In 2012, with the strategic goal to improve the delivery of services and benefits to Veterans, VA established the Strategic Capital Investment Planning (SCIP) process. The SCIP process is the basis for the Department's capital budget request. The SCIP process includes all capital projects and takes a long-term, data driven, departmental approach, linking planning efforts of the Administrations and staff offices for both capital and non-capital solutions for gaps in services. SCIP encourages investments that ensure delivery of services in a Veteran-centric, forward-looking, and results-driven manner.

Laws, Executive Orders, directives and regulations (links can be found in Appendix B) containing requirements that affect this particular contract include:

- Executive Order (EO) 13327, "Federal Real Property Asset Management"
- GAO Report 08-939, Federal Real Property – Progress Made in Reducing Unneeded Property, but VA needs Better Information to Make Further Reductions
- GAO Report 11-197, VA Real Property, Realignment Progressing, but Greater Transparency about Future Priorities Is Needed
- GAO Report 13-14, Federal Real Property - Improved Cost Reporting Would Help Decision Makers Weigh the Benefits of Enhanced Use Leasing
- OMB Memorandum 12-12 -*Promoting Efficient Spending to Support Agency Operations* - "Freeze the Footprint" policy
- VA Directive and Handbook 0011, Strategic Capital Investment Planning Process

OAEM follows instructions and guidance issued by the Office of Management and Budget and other agency instructions, directives and guidance containing specific capital asset performance metrics.

4. Performance Period: The period of performance is for 365 calendar days from date of award. Work at the government site shall not take place on Federal holidays or weekends unless directed by the Contracting Officer (CO).

5. Type of Contract: Firm Fixed Price

6. Place of Performance: The primary place of performance will be at the contractor's facilities; however, some tasks may require work to be performed at a Government facility. Any work at the Government site shall not take place on Federal holidays or weekends unless directed by the Contracting Officer (CO).

B. CONTRACT AWARD MEETING

The contractor shall not commence performance on the tasks in this PWS until the CO has conducted a Post-Award Conference (PAC) or has advised the contractor that a PAC is waived.

C. GENERAL REQUIREMENTS

The following general requirements apply to all tasks issued under this contract:

1. The contractor shall identify its proposed technical approach in writing for every task quoted. The contractor's quote shall include its proposed labor categories, rates and number of hours by task, together with associated delivery dates and sub-milestone dates (if any), and proposed key personnel résumés if not on file. Résumés are not required for clerical personnel.
2. All written deliverables shall be phrased in layperson language. Statistical and other technical terminology shall not be used without providing a glossary of terms.
3. Unless otherwise specified in an individual task, the following schedule requirements apply: Where a written milestone deliverable is required in draft form, the VA will complete its review of the draft

deliverable within 12 calendar days from date of receipt. The contractor shall have 12 calendar days to deliver the final deliverable from date of receipt of the Government's comments.

4. The contractor shall provide, via email, minutes of all Government-contractor meetings. The contractor shall provide these minutes within one calendar day after completion of the meeting unless otherwise specified in an individual task.
5. Except for proprietary information in company quotes identified and marked in accordance with FAR 52.215-1(e), the contractor shall not deliver to the OAEM any proprietary products or information of any type in completing the requirements identified in the PWS. The contractor's internal development tools (that is, those development tools not developed for OAEM work and not required by OAEM to install, use, or revise the deliverables) are exempted from this requirement. If the contractor believes an exception to this requirement is necessary for the effective or efficient execution of a task, the contractor shall request a specific exception, in writing, to the CO, and shall not use the proprietary tools or information in OAEM work until approval is received from the CO.
6. The contractor shall ensure contract employees maintain an open and professional communication with the staff at the VA facilities. For transparency purposes, email to the CO shall not be blind carbon copied (BCC) to other Government personnel.
7. Complaints or violation validated by the COR or VA staff will be reported in writing to the CO, Office of the Inspector General (OIG), or Head of the Contracting Activity (HCA) for action. If the contractor fails to correct validated complaints raised by the COR and or CO, it will be considered a failure in performance.
8. The CO may require the contractor to meet with the CO, contract administrator, and other Government personnel at least quarterly, and as often as deemed necessary. The contractor may request a meeting with the CO when deemed necessary.

D. SPECIFIC MANDATORY TASKS AND ASSOCIATED DELIVERABLES

Description of Tasks and Associated Deliverables: The contractor shall provide the specific deliverables described below within the performance period stated in Section A.4 of this PWS.

a. Task One: PMP and Briefing

The contractor shall provide a PMP and briefing for the project team, which presents the contractor's plan for completing the contract. The contractor's plan shall be responsive to this PWS and describe, in further detail, the approach to be used for each aspect of the contract as defined in the technical proposal. The contractor shall keep the PMP up to date throughout the period of performance.

Deliverable One: PMP and Briefing

b. Task Two: Support and Enhance Lease Budget Model

The contractor shall provide support for the existing lease budget model to improve the usability and accuracy of the model's estimates. The budget model should continue to project 5 years of lease budget information (FY19-23) with the existing outputs at a minimum. Contractor shall incorporate the most recent data sources into the model. The existing model takes input from the following:

1. VA's current inventory of leases, Capital Asset Inventory (CAI) and Financial Management System (FMS), to form the basis for on-going lease payments,
2. Leases currently in procurement from VA's Enterprise Lease Management Tool (ELMT),
3. Leases approved in VA's SCIP process
4. Activation Model outputs for leases planned for activation

Contractor shall review the tool and suggest error corrections or improvements in tool function and data integrity. VA will notify contractor of any errors it encounters in the model or improvements for inclusion in enhancements. The changes may include adding output fields and reports, as well as using additional data sources as needed. Examples of potential enhancements include mapping changes in data sources to add to datasheet, incorporating financial data to test for prediction accuracy, and improved data validation business rules.

Deliverable Two: Functional Lease Budget Model with added enhancements

c. Task Three: Updated user documentation for the model.

After completing all improvements to the model Contractor will incorporate all changes and assumptions into documentation for users. This documentation will consist of a description of inputs, assumptions, and business rule used in the model and a user guide for the model.

Deliverable Three: Model explanation and user guide.

d. Task Four: Initial Budget Run of the Model

The contractor shall load the appropriate data into the model to formulate the initial budget estimate. Current sources of data are noted in task two, including CAI, FMS, SCIP Automated Tool, ELMT, and Activation Model.

Contractor shall work with VA to address any major data anomalies before finalizing the model run. The deliverable should be a complete model, fully populated, to develop budget estimates. Data collection and verification can commence immediately upon task award to ensure it is ready for loading into the model once the enhancements or error corrections are completed. The estimated timing for this model run is October 2018.

Deliverable Four: Completed Model with 1st run data

e. Task Five: 2nd Budget Run of the Model

The contractor shall load the most recent data from the appropriate sources into the model to formulate an updated lease budget model. The 2nd model run should include all enhancements and corrections identified for completion as part of Task 2.

Contractor shall work to make updates to the model based upon internal VA budget decisions and OMB pass-back. The final updates are necessary to support the FY 2020 President's Budget to ensure VA has proper backup for the lease budget request.

The estimated timing for this model run is December 2018.

Deliverable Five: Completed model with 2nd run data

f. Task Six: Initial Model run for FY 21 Budget

The contractor shall load the most recent data from the appropriate sources into the model to formulate an updated lease budget model. The final model run should include all enhancements and corrections identified for completion as part of Task 2.

Contractor shall work to make updates to the model based upon internal VA budget decisions and OMB pass-back. The final updates are necessary to support the FY 2020 President's Budget to

ensure VA has proper backup for the lease budget request. The estimated timing for this model run is February 2019.

Deliverable Six: Initial model for FY 21 Budget

Performance Standards and Methods as specified in each task. Past performance will be documented in accordance to IL 001AL-10-03, dated February 22, 2010

| Surveillance Area | Performance Standards | Method of Assessing Performance |
|---|---|--|
| Management of price and schedule | Timely delivery to the COR within the contract/order schedule Status Meetings are scheduled on time, with appropriate Vendor staff attending and issues addressed satisfactorily to VA | Review of Monthly Status Reports and Status Meetings 100% inspection |
| Technical quality of deliverables | Deliverables are high quality, address required performance work statement areas and contain three (3) or fewer defects identified in the Final deliverable submittal | Review of Final deliverables and Status Meetings 100% inspection |
| Quality of Project Management and Relationship Management | Timely Responses to open acquisition issues 98% of the time Corrections and Re-submittal to VA within five calendar days of rejected deliverables Low Turnover of Key Personnel Contractor develops and maintains a staffing plan that adequately supports the requirements of the this contract 98% of the time. Open communication between VA and Vendor Contractor provides a single point of contact responsible for contract performance. Ability to meet the within scope changing demands of the program as it evolves | Review of Final deliverables, Status Reports and Status Meetings Review and approval of Key Personnel changes VA customer satisfaction |

SCHEDULE FOR DELIVERABLES

See Attachment A Schedule of Deliverables.

1. If for any reason the scheduled time for a deliverable cannot be met, the contractor is required to explain why (include the original deliverable due date) in writing to the CO, including a firm commitment of when the work shall be completed. This notice to the CO shall cite the reasons for the delay, and the impact on the overall project. The CO will then review the facts and issue a response in accordance with applicable regulations.
2. Any hard copy documents the Contractor provides to OAEM must be printed double-sided on recycled paper with at least 30 percent post-consumer fiber.

CHANGES TO PERFORMANCE WORK STATEMENT

Any changes to this PWS shall be authorized and approved only by the CO in writing. Costs incurred by the contractor through the actions of parties other than the CO shall be borne by the contractor.

TRAVEL

As required by each task, the contractor may be required to travel to Washington, D.C., or to other VA locations. Travel and per diem shall be reimbursed in accordance with Federal Travel Regulations. Each contractor invoice must include copies of all receipts that support the travel costs claimed in the invoice. No General and Administrative (G&A) fees or costs, and no other fees or costs shall be added to travel expenses. Local travel within a 50-mile radius from the Contractor's facility is considered the cost of doing business and will not be reimbursed. This includes travel, subsistence, and associated labor charges for travel time. Local travel within a 50-mile radius from the Contractor's employee's residence is considered the cost of doing business and will not be reimbursed. This includes travel, subsistence, and associated labor charges for travel time. Travel performed for personal convenience and daily travel to and from work at the contractor's facility will not be reimbursed. Travel, subsistence, and associated labor charges for travel time for travel beyond a 50-mile radius of the Contractor's facility are authorized on a case-by-case basis and must be pre-approved by the CO at least 30 calendar days in advance for the requested travel.

GOVERNMENT FURNISHED PROPERTY AND INFORMATION

Government Furnished Property and Information, if required, will be specified in each task. Except for those items or services specifically stated to be Government furnished, the contractor shall furnish everything required to complete this contract. For contractors required at VA facilities, the Government will provide office space including a desk, telephone, and computer to perform the required work.

CONTRACTOR EXPERIENCE REQUIREMENTS—KEY PERSONNEL

1. These skilled experienced professional and/or technical personnel are essential for successful contractor accomplishment of the work to be performed under this contract and subsequent tasks and options. The contractor shall include in the technical proposal for each task, the résumés of all proposed professional and/or technical personnel who will perform the tasks. Résumés are not required for clerical personnel. The personnel whose résumés are submitted are defined as key personnel. The contractor agrees that the key personnel listed in their proposal shall not be removed, diverted, or replaced from work without approval of the CO and COR (résumés do not need to be provided if it's already in the contract file).
2. Any personnel the contractor offers as substitutes shall have the ability and qualifications equal to or better than the key personnel that are being replaced. Requests to substitute personnel shall be approved by the COR and the CO. All requests for approval of substitutions in personnel shall be submitted to

the COR and the CO at least 30 calendar days prior to making any change in key personnel. The request shall be written and provide a detailed explanation of the circumstances necessitating the proposed substitution. The contractor shall submit a complete résumé for the proposed substitute, any changes to the rate specified in the order (as applicable) and any other information requested by the CO needed to approve or disapprove the proposed substitution. The CO will evaluate such requests and promptly notify the contractor of approval or disapproval thereof in writing.

Note:

- a. Standards of Conduct. The Contractor shall ensure that personnel assigned to this contract comply with the Standards of Ethical Conduct specified by the Office of Government Ethics at 5 CFR 2635.
- b. Personnel assigned by the Contractor to perform work on this contract shall be acceptable to VA in terms of personal and professional conduct and technical knowledge. The Contracting Officer may notify the Contractor and request that a person be immediately removed from assignment on this contract should any contractor personnel be determined to be unacceptable in terms of technical competency or personal conduct during duty hours. The contractor shall immediately remove and replace the unacceptable on-site personnel at no additional costs to the Government. Replacement personnel qualifications shall be equal to or greater than those of the personnel being replaced. Employment and staffing difficulties shall not be justification for failure to meet established schedules.
- c. Contractor personnel shall be able to communicate effectively in English, both written and oral.
- d. The contractor shall notify the CO whenever an employee of the United States Government is utilized by the contractor in the performance of the contract. The notification shall include sufficient information for the Contracting Officer to review the matter in accordance with FAR Part 3 and Subpart 9.5.
- e. The contractor shall verify employee eligibility through the E-Verify system.

SECURITY REQUIREMENTS

1. The contractor shall follow the following (or other established procedure) contractor personnel security guidance:
 - a. The contractor and their personnel shall be subject to the same Federal laws, regulations, standards, and VA policies as VA personnel, regarding information and information system security. These include, but are not limited to Federal Information Security Management Act (FISMA), Appendix III of OMB Circular A-130, and guidance and standards, available from the Department of Commerce's National Institute of Standards and Technology (NIST). This also includes the use of common security configurations available from NIST's Web site at:
<https://nvd.nist.gov/ncp/repository>
 - b. To ensure that appropriate security controls are in place, Contractors must follow the procedures set forth in "VA Information and Information System Security/Privacy Requirements for IT Contracts" located at the following Web site: <https://www.va.gov/webpolicylinks.asp>
 - c. These provisions shall apply to all contracts in which VA sensitive information is stored, generated, transmitted, or exchanged by VA, a contractor, subcontractor or a third-party, or on behalf of any of these entities regardless of format or whether it resides on a VA system or contractor/subcontractor's electronic information system(s) operating for or on the VA's behalf.
 - d. Clauses (a) and (b) shall apply to current contracts and acquisition vehicles including, but not limited to, job orders, task orders, letter contracts, purchase orders, and modifications. Contracts do not include grants and cooperative agreements covered by 31 U.S.C. § 6301 et seq.

2. The required contractor employee Position Sensitivity level is Limited Risk and the level of Background Investigation is NACI for contractor employees who require access.
3. The COR or the designated Government employee will provide the contractor a Background Investigation Request Worksheet within 2 calendar days of contract award listing the place of performance, type of investigation requested, the VA sponsor and requesting the applicant's name, date of birth, social security number, company name and point of contact and other required data.
 - a. The contractor shall complete the Background Investigation Request worksheet and return it to the COR within five calendar days of receipt. The COR will review the documents and forward them to the Security Investigations Center (SIC).
 - b. The CIS will send an email notification to the contractor identifying the website link that includes detailed instructions regarding completion of the background clearance application process and what level of background was requested. Upon receipt of required investigative documents, SIC will review the investigative documents for completion and initiate the background investigation by forwarding the investigative documents to OPM to conduct the background investigation.
 - c. The COR will notify the contractor when the investigation has been favorably or unfavorably completed and adjudicated by the Government. The contractor, when notified of an unfavorable determination by the Government, shall withdraw the employee from consideration from working under the contract.
4. The contractor shall not commence performance prior to the initiation of the process that requests the appropriate investigative action be taken. During the time required to conduct the appropriate investigation, the contractor shall be responsible for the actions of its respective employees until official notification of a favorable determination is received from the Office of Security and Law Enforcement.
5. Cost of Background Investigations will be borne by the organization requesting the investigation. For contractors and its personnel performing the contract, the VA office or organization that is requesting the procurement will coordinate with the designated contracting officer to ensure VA initiates the necessary investigations and/or screenings for contractor personnel. For those contractors and its personnel, the contractor will bear the cost of such investigations
6. Failure to comply with the contractor personnel security requirements may result in termination of the contract for default also please reference to VA Directive 0710 for further guidance

CONFIDENTIALITY AND NONDISCLOSURE

It is agreed that:

1. The preliminary and final deliverables and all associated working papers, application source code, and other material deemed relevant by the VA which have been generated by the contractor in the performance of this contract are the exclusive property of the U.S. Government and shall be submitted to the COR with a copy to the CO at the conclusion of the contract.
2. The CO will be the sole authorized official to release verbally or in writing, any data, the draft deliverables, the final deliverables, or any other written or printed materials pertaining to this contract. No information shall be released by the contractor. Any request for information relating to this contract presented to the contractor shall be submitted to the CO for response.
3. Press releases, marketing material or any other printed or electronic documentation related to this project, shall not be publicized without the written approval of the CO.

ORGANIZATIONAL CONFLICT OF INTEREST

The contractor shall disclose any actual or potential organizational conflicts of interest at the time of submitting the quotes for this contract. The contractor may be precluded from bidding on or working on future contracts in accordance FAR 9.5.

**Attachment A
Schedule of Deliverables**

| <u>Deliverable No.</u> | <u>Item</u> | <u>Quantity</u> | <u>Delivery Date</u> |
|------------------------|---|-----------------|--|
| One | A PMP and briefing | One | 7 calendar days after contract award |
| Two | Updated Lease Budget Model | Two | Draft: 60 calendar days after contract award Final: 45 calendar days after task award |
| Three | Updated User Guide | Two | Draft: 90 calendar days after contract award Final: 120 calendar days after task award. |
| Four | 1 st Model Run with FY20 SCIP Data | Two | Draft – 30 calendar days after contract award Final – 15 calendar days after Draft |
| Five | Final FY 20 Run - Completed Updated Model with FY20 SCIP Data | Two | Draft – 90 calendar days after contract award Final – 15 calendar days after Draft |
| Six | Initial FY 21 Budget Run | Two | Draft – 240 calendar days after contract award Final – 15 calendar days after Draft |

Appendix B – Links to Laws, Executive Orders, Directives, GAO Reports and Regulations

- Executive Order (EO) 13327, “Federal Real Property Asset Management”
<http://www.gpo.gov/fdsys/pkg/FR-2004-02-06/pdf/04-2773.pdf>
- GAO Report 08-939, Federal Real Property – Progress Made in Reducing Unneeded Property, but VA needs Better Information to Make Further Reductions
<http://www.gao.gov/assets/290/280516.pdf>
- GAO Report 11-197, VA Real Property, Realignment Progressing, but Greater Transparency about Future Priorities Is Needed <http://www.gao.gov/new.items/d11197.pdf>
- GAO Report 13-14, Federal Real Property - Improved Cost Reporting Would Help Decision Makers Weigh the Benefits of Enhanced Use Leasing
<http://www.gao.gov/assets/660/651028.pdf>
- OMB Memorandum 12-12 -*Promoting Efficient Spending to Support Agency Operations* - “Freeze the Footprint” policy <http://www.whitehouse.gov/sites/default/files/omb/memoranda/2012/m-12-12.pdf>
- VA Directive and Handbook 0011, Strategic Capital Investment Planning Process
Directive: http://www1.va.gov/vapubs/viewPublication.asp?Pub_ID=575&FType=2;
Handbook: http://www1.va.gov/vapubs/viewPublication.asp?Pub_ID=574&FType=2