

Justification and Approval for Other than Full and Open Competition

J&A Tracking No. 19-0110

1. **Identification of the agency and contracting activity:** Defense Health Agency (DHA), Contracting Office—Falls Church, 7700 Arlington Blvd, Falls Church, VA 22042.
2. **Nature and/or Description of Action being approved:** Approval is being requested under an individual justification for award of a Firm Fixed Price sole source contract to Booz Allen Hamilton, Inc., for services supporting an agency-directed extension of operations for the transitional Intermediate Management Organization (tIMO). This is a one-time requirement with no performance under a previous award and no anticipated follow-on award.
3. **Description of Supplies/Services:** The tIMO requires contractor services, including acquisition management, budgeting, logistics planning, clinical quality management, executive support services, healthcare operations, information technology planning, assessment of nursing standards, communications, and personnel management, to continue operations beyond its planned October 1st, 2019, end date.

The contract is anticipated to have a period of performance of 6 months, starting August 22nd, 2019, and ending February 21st, 2020. The contract will include the clause at FAR 52.217-8, Option to Extend Services, for up to an additional 6 months of service. The estimated value of this contract, including the Option to Extend Services, is [REDACTED]. The contract will be funded utilizing FY19 Operations and Maintenance (O&M) Funds.

4. **Statutory and Regulatory Authority Permitting Other Than Full and Open Competition (see FAR 6.302), or the Specification of the Statutory and Regulatory Provision Providing Exception to 8(a) Program Competitive Requirements (see FAR 19.805-1):** 10 U.S.C. 2304(c)(1) 6.302-1 -- Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements

5. **Rationale Justifying Use of the Statutory Authority Cited:** Section 702 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328) mandated a transformation of the Military Health System (MHS). This included the transfer of authority, direction and control of certain military treatment facilities (MTF) from the military services (Army, Navy and Air Force) to the Defense Health Agency (DHA) of the Department of Defense. The DHA implementation plan for this transformation called for the arrangement of 450 facilities into markets organized to provide health services based on population demands and medical proficiency readiness requirement. Generally, each of the 20 largest markets within the contiguous United States and Alaska would report directly to the DHA. Markets in overseas locations would report to the DHA through either the Europe or Indo-Pacific regional office. The remaining facilities would report to the DHA through the Small Market and Stand-Alone MTF Organization. The DHA formed the tIMO to be a transitional – or temporary – unit that would certify readiness of the first four direct-reporting markets—National Capitol Region, Jacksonville, Coastal Mississippi and Central North Carolina—and identify lessons learned for the DHA as it implemented its future medical market-based structure across the MHS. After the

tIMO certified the initial four markets for start of operations and direct reporting, the DHA would deactivate the tIMO on October 1st, 2019. The DHA would assume responsibility to certify the remaining market organizations and to complete transfer of functional capabilities—including strategic communications, budgetary matters, healthcare operations, information technology, quality management, clinical operations, health informatics, and personnel management—from the military services’ medical activities into the offices of the DHA Director and Assistant Directors.

In July 2019, Department of Defense’s senior Transition Leadership Team (sTLT) expressed concern regarding the aggressiveness of the transition timeline. Specifically, the sTLT expressed concern over DHA headquarters readiness to assume authority, direction, and control of the initial markets and Market Office readiness to assume authority, direction and control of the market MTFs. The sTLT asserted the need for expanded criteria to assess this readiness. Additionally, the sTLT asserted that the services’ medical departments may lack clarity on their post-transition responsibilities for direct support to the DHA. To mitigate perceived risk, DHA directed a delay to certification of the first markets and continuation of tIMO operations into Fiscal Year 2020 in order to allow for further resourcing of personnel and maturation of the DHA headquarters. The tIMO will continue to manage and administer the MTFs they currently oversee until market certification of the initial four markets is complete.

On July 19th, 2019, the contracting office received a request to extend contract GS-00F-08DA, task order HT001118F0049, which ends on August 21st, 2019, in support of continued tIMO operations. This task order provides support to the Transition Support Team (TST) Program Integration Office (PIO), which was responsible for developing the transition plan that would then be implemented by the tIMO. On August 5th, 2019, the requiring activity provided additional information, from which the contracting officer determined that, while planning and implementation are related efforts, the requested effort was not within the scope of task order HT001118F0049 and initiated preparations for a new award.

The tIMO is staffed by temporary assignment of military and civil service employees, whose terms are ending in August and September, 2019, and is supported by the planning efforts under task order HT001118F0049. The agency awarded task order HT001118F0049 to Booz Allen Hamilton, Inc., under the regulatory authority at FAR 8.405-6(a)(1)(i)(A), based on urgent or compelling need (see JA18-0099). Performance under this task order requires BAH to work closely with tIMO personnel who are responsible for implementing the transition plan. Although the scope of services under this action are related to, but not identical to, services under task order HT001118F0049, BAH possesses unique experience and knowledge from support to the transition planning to respond quickly to this short-notice extension of tIMO operations. A competitive award of this requirement would delay start of performance well beyond August 22nd, 2019, risking loss of an experienced BAH workforce and jeopardizing tIMO capability to continue transition implementation as the assigned workforce shrinks.

6. Efforts to Obtain Competition: No other sources were solicited owing to the short notice provided for extension of tIMO operations, limited term of the planned contract, and complexity of transition of work to another performer. A notice of intent for this action was posted to

Federal Business Opportunities on August 20th, 2019. Pursuant to FAR 5.102(e), the Government is only required to provide copies of a solicitation issued under other than full and open competition to those firms requesting a copy that were not initially solicited, after advising those firms of the determination to limit the solicitation to a specified firm or firms as authorized under part FAR 6.3. A contract awarded under this approval for other than full and open competition will be synopsized in accordance with FAR 5.207. The Head of Contracting Activity signed a waiver to DFARS PGI 206.302-1(d) requirements for Request For Information/Sources Sought Synopsis for sole source justifications citing FAR 6.302-1.

7. Determination that Anticipated Cost to the Government will be Fair and Reasonable:

The solicitation will request detailed price information, including labor categories, direct labor hours and fully burdened labor rates. Certified cost and pricing data is not required since the services to be procured meet the definition of commercial items under FAR 2.101. The

Independent Government Cost Estimate (IGCE) for this requirement uses [REDACTED]

[REDACTED]. Labor categories and hours are based the estimated skill and personnel needs of the tIMO. To these rates, the IGCE applies [REDACTED]

[REDACTED]. For the proposal, technical evaluation assess the mix of labor categories and overall level of effort over the proposed period of performance. The price analysis will compare proposed rates to the IGCE and possibly other agency awards to BAH for similar services. Findings of the technical evaluation and price analysis will inform the agency's negotiating position and fair and reasonable determination of the negotiated price.

8. Market Research: No market research was conducted specifically for this contract action. The agency is aware from market research for other procurement actions that numerous companies, including small businesses, are capable of providing the requested services, were sufficient time available to solicit, prepare, and evaluate proposals.

9. Other Facts: Failure to award this action would have an immediate impact on continuation of operations for the tIMO. Performance requires understanding the complexity of transitioning the MTFs to the DHA. The third version of the transition plan, currently in draft, includes 626 pages and numerous supporting documents. BAH personnel performing under task order HT001118F0049 are well versed on the administrative and programmatic aspects of the tasks to be accomplished under this plan. No other contractor could replace the incumbent contractor to successfully complete this work without significant delay and impact to continued tIMO operations.

10. Interested Sources: DHA has no written statements of interest from industry for the planned contract. The synopsis includes the invitation required at FAR 5.207, paragraph (c)(16)(i), allowing responsible sources to submit a capability statement, proposal, or quotation which shall be considered by the agency.

11. Actions to overcome barriers: The agency anticipates no subsequent procurement of these services. The requirement will end with the eventual end of operations for the tIMO.

COORDINATION:

12. **Technical/Functional Representative:** I certify that the information provided in this justification, is accurate and complete to the best of my knowledge and belief.

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13. **Requirements Certification:** I certify that the information provided in this justification, is accurate and complete to the best of my knowledge and belief.

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14. **Fair and Reasonable Cost Determination:** The IGCE for this requirement uses [REDACTED]. Labor categories and hours are based the estimated skill and personnel needs of the tIMO. To these rates, the IGCE applies [REDACTED], which was found fair and reasonable at the time of award, and adds [REDACTED]. I have determined that the anticipated cost to the Government for this contract action is fair and reasonable.

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Contracting Officer, Professional Services Contracting Division

15. **Legal Review:** I have reviewed this justification and have found it to be legally sufficient.

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16. **Contracting Officer:** I certify that this justification is accurate and complete to the best of my knowledge and belief.

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Contracting Officer, Professional Services Contracting Division

APPROVAL:

17. **Competition Advocate:** Based on the foregoing justification, I hereby approve the procurement of program management services in support of the transitional Intermediate Management Organization on an other than full and open competition basis pursuant to the authority of 10 U.S.C. 2304(c)(1), subject to availability of funds, and provided that the supplies and/or services herein described have otherwise been authorized for acquisition.

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Competition Advocate (J-4)