



DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER NORFOLK
700 ROBBINS AVE, BLDG 2B
PHILADELPHIA, PA 19111-5083

IN REPLY REFER TO
LSJ# 16-035

Justification for an Exception to Fair Opportunity (above SAT)

1. IDENTIFICATION OF AGENCY AND CONTRACTING ACTIVITY: This is a Limited Source Justification for an Exception to Fair Opportunity. The requiring activity is the Navy Office of Financial Operations (FMO); the contracting activity is NAVSUP Fleet Logistics Center Norfolk (FLCNORVA), Contracting Department, Philadelphia Office.

2. NATURE/DESCRIPTION OF CONTRACT ACTION: This acquisition is conducted under the authority of 10 U.S.C. 2304a through 2304d. This is a limited source action to be awarded as a new task order to the large business identified in paragraph 3 below. The placement of a cost-plus-fixed fee order is anticipated.

3. DESCRIPTION OF REQUIRED SUPPLIES/SERVICES: The proposed acquisition is to establish a new task order with Booz Allen Hamilton (BAH) to have them provide continued Financial Improvement and Audit Readiness (FIAR) support under their existing multiple award contract for an interim period until new follow-on competitive set of MAC contracts is awarded and performance can begin under one or more competed follow-on task orders. The support under this interim task order is needed to provide continued audit readiness support, as well as to continue to support the aggressive Statement of Budgetary Activities (SBA) timelines required to meet accelerated Audit Readiness timeline as directed by the Office of the Secretary of Defense (OSD). Specifically, the contractor, BAH, will support audit readiness efforts by providing:

- a. Financial Improvement Program (FIP) Functions
- b. FIP Plan Development and Maintenance
- c. Corrective Action Plans
- d. Human Capital Development Through Training Support and Development
- e. Knowledge Management and Change Management
- f. Guidance Development and Promulgation
- g. Financial Management and Accounting Operations
- h. Discovery Efforts
- i. Evaluation of DON Equipment and Other Property Assets
- j. Research and Reconciliation of Accounting Transactions
- k. Resolution of Problem Disbursements
- l. Management of Overage Receivables and Payables
- m. Financial Statement and United States Standard General Ledger (USSGL) Analysis and Support
- n. Financial Metrics Analysis and Reporting
- o. System Interfaces and Data Mapping
- p. Data Cleansing and Enterprise Resource Planning (ERP) Support
- q. Internal Control Management
- r. Process Flows and Analysis
- s. Risk Analysis and Mitigation Strategies
- t. Testing of Controls
- u. Process Improvement
- v. OMB A-123 Implementation Support
- w. Training and Training Support
- x. Audit Readiness Support
- y. Source Document Definition and Retention Strategy
- z. Preliminary Audit Assessments
- aa. Audit Support

This proposed task order will support FMO and Command work streams throughout the DON. The Command to be serviced by this task order includes the following: CNIC.

The task order will have a one-year period of performance. The estimated level of effort is 6,924 hours and has been tailored to accommodate the specific work streams that BAH has uniquely supported at an estimated value of [REDACTED] inclusive of estimated Travel and ODCs. Services under this interim task order will commence on 1 April 2016 and continue through 31 March 2017. This action is a logical follow-on to the efforts currently being conducted under Task Order 1006 where all of the MAC awardees were given a fair opportunity to be considered.

4. IDENTIFICATION OF THE JUSTIFICATION RATIONALE AND/OR DEMONSTRATION OF CONTRACTOR'S UNIQUE QUALIFICATIONS: The statutory authority which permits not providing each awardee a fair opportunity to be considered for each order exceeding \$3,000 issued under a multiple award contract is 10 U.S.C. 2304c, as implemented by FAR 16.505(b)(2). The more specific statutory authority is 10 U.S.C. 2304c(b)(3), as implemented by FAR 16.505(b)(2)(i)(C), the order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.

The Navy is currently undergoing a Statement of Budgetary Activities (SBA) audit engagement initiated with the FY 2015 SBA, and subsequent assertions to include full financial statements in FY 2017 with the audit of those statements commencing in FY 2018. These goals and objectives are in direct response to the Congressional mandates to achieve audit readiness across the Department of Defense as well as the Department of the Navy. The current SBA audit engagement will transition into the Statement of Budgetary Resources (SBR) and full financial statement audit consistent with OMB Bulletin No. 14-02, as amended, "Audit Requirements for Federal Financial Statements". These audit engagements will be conducted by the Department of Defense, Office of the Inspector General (OIG) or an Independent Public Accounting (IPA) firm, at the discretion of the OIG. The size and complexity of the Navy will require substantial audit support covering a broad range of business processes, financial systems and sub-systems as well as multiple services providers. Since the period between now and 31 March 2017 will involve critical audit milestones, including the current SBA, it is essential that the existing work streams that were either started or continued under the named task orders above continue without interruption in order to continue to meet those milestones.

With regard to the types of work, the commands/activities supported, and the task order detailed in paragraph 3 above, BAH is in the process of performing these efforts and therefore has gained in-depth knowledge of the Navy's processes and procedures in these areas that could not be readily obtained by a competing contractor during the interim period without significant duplication of effort on the new contractor's part and the expenditure of significantly more effort on the Government's part, as well, because Government personnel would have to educate the new contractor's personnel regarding the Navy's processes and procedures. Further, changing contractors at this juncture would cause unacceptable delays in fulfilling the Government's requirements (i.e., meeting critical milestones). Based on the foregoing, the order must be issued on a sole-source basis to BAH in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract and all awardees were given a fair opportunity to be considered for the original order.

5. DETERMINATION OF THE BEST VALUE: The contract did not establish the price for the services. Therefore, the FLCNORVA, Contracting Department, Philadelphia Office Contracting Officer will determine that the price for the task order will be fair and reasonable.

6. DESCRIPTION OF MARKET RESEARCH: The requiring activity and contracting activity did not conduct market research for the performance of the interim task order because no other contractor could economically and efficiently advance the work from its current state through the end of the period of performance of the contemplated task order without having performed the work under the orders specified in paragraph 3 above.

7. ANY OTHER SUPPORTING FACTS: This procurement uses a MAC and will be solicited and awarded in accordance with FAR Subpart 16.5.

8. ACTIONS TAKEN TO REMOVE BARRIERS TO COMPETITION: The ordering period of the existing FIAR MAC will be extended thru 30 September 2016 with an option to extend the ordering period through 31

March 2017. Additional hours and dollars will be added to the basic MAC to accommodate this contemplated logical follow-on task order. The competitive follow-on IDIQ MAC requirement is currently being processed by NAVSUP FLC Norfolk, Philadelphia Office. It is intended to satisfy future requirements for FIAR Support by conducting task order competitions under the pending new MACs.

9. CONTRACTING POINT OF CONTACT: The point of contact at FLCNORVA is David Gagliardi at 215-697-9692 or by e-mail at david.gagliardi1@navy.mil.