



DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER NORFOLK -
MECHANICSBURG
5450 CARLISLE PIKE
MECHANICSBURG, PA 17055-0788

IN REPLY REFER TO

Control Number 15889

Justification for an Exception to Fair Opportunity
Enterprise Resource Planning (ERP) Supply Chain Management (SCM) Task Order

1. IDENTIFICATION OF THE AGENCY AND CONTRACTING ACTIVITY:

- a. Agency Name: Naval Supply Systems Command Business Systems Center
(NAVSUP BSC)
5450 Carlisle Pike
Bldg. 409
Mechanicsburg, PA 17055-0787
- b. Contracting Activity: Naval Supply Systems Command Fleet Logistics Center
(NAVSUP FLC) Norfolk – Mechanicsburg Office
Contracting Department
5450 Carlisle Pike
Bldg. 407
Mechanicsburg, PA 17055-0788

2. NATURE/DESCRIPTION OF THE ACTION:

This acquisition is conducted under the authority of 10 U.S.C. 2304a through 2304d. This is a sole source action to be awarded as a modification to an existing task order under contract N00104-13-D-QA04 Task Order 0012 to Accenture. The placement of a firm-fixed price task order modification is anticipated for Navy Enterprise Resource Planning (ERP) Audit and Sustainment services as further defined in Section 3

3. DESCRIPTION OF REQUIRED SUPPLIES/SERVICES:

Navy ERP is a SAP-based system and is the Department of the Navy's (DON) financial information technology system of record. Deployment implementations have concluded and the Program is now in its sustainment phase, although efforts continue to expand and improve functionality. NAVSUP BSC has been assigned to provide sustainment lifecycle management services, stabilization, optimization and audit readiness preparedness services. Those services include design, customization, workbench creation, system administration and data management for Navy Finance, the Office of Financial

Operations (FMO) Audit, and Workforce Management Business Integration services in the sustainment of Navy ERP.

Accenture is currently performing SAP business integration services in support of the following Navy ERP efforts:

- Tier 3 Trouble Ticket and Break/Fix Resolution (to include Heat monitoring)
- System Change Requests (Defect, Design Change, Engineering Change Proposal (ECP))
- Interface Data Issue Resolution
- Quarterly Releases
- Software Upgrades
- Unit Testing
- Client Set-up and Configuration
- Production Operation Tasks
- Data Calls
- Training/Mentoring

SAP modules/capabilities within the scope of this PWS are:

- Materials Management/Procurement
- Inventory Management/Warehouse Management
- Environmental Health and Safety
- Supply Chain Management
- Order Fulfillment
- Grants Management

This request serves as a modification to existing SAP business integration sustainment and audit contractor support services currently being performed by Accenture under contract N00104-13-D-QA04 Task Order 0012. The purpose of the modification is to add additional work within the scope of the current task order.

The HAZMAT work consists of QCIs (requirements) that are part of the Audit and Sustainment workload, but the delivery of all HAZMAT related requirements were slated for February 2017. However, the customer has provided additional funding to enable the delivery of the project by August 2016, which is two full quarters ahead of schedule. This accelerated timeline allows the government to complete the work in FY 2016 as opposed to impacting work planned for FY 2017. The acceleration would allow the government to focus resources on Audit work planned for FY 2017. In order to accomplish this work on an accelerated schedule, additional resources are required. The review and completion of HAZMAT QCI's are critical to ensure the information being reported to the Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA) is accurate and in compliance with regulatory requirements.

Regulatory/Compliance: OPNAV 5090.1C Chpt 7, the US Navy is required to be in compliance with all aspects of the Clean Air Act, State regulatory requirements/State Implementation Plan (SIP) and installation Air Operating Permits. Title 40, Code of Federal Regulations (40 CFR). Regulations are codified annually in the U.S. Code of Federal Regulations (CFR). Title 40: Protection of Environment is the section of the CFR that deals with EPA's mission of protecting human health and the environment

The base period of performance for the additional work will be February 5, 2016 – September 30, 2016. The estimated total value of the action is [REDACTED]. FY16 Operations and Maintenance, Navy (O&M,N) funding will be utilized to fund this requirement.

4. IDENTIFICATION OF THE EXCEPTION TO FAIR OPPORTUNITY:

The statutory authority which permits not providing each awardee a fair opportunity to be considered for each order exceeding \$3,500 issued under a multiple award contract is 10 U.S.C. 2304c(b)(2), as implemented by Federal Acquisition Regulation (FAR) 16.505(b)(2)(i)(B) – Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized.

5. DEMONSTRATION OF CONTRACTOR'S UNIQUE QUALIFICATIONS:

Accenture is the contractor of record for the start of this requirement and now possesses the extensive background, unique understanding, and knowledge to implement the standardized business process for the HAZMAT Sustainment deliverables. Accenture has conformed to the contract requirements, specifications and standards; providing their expertise upon all Sustainment deliverables required for the Navy.

The deliverables for HAZMAT have recently been identified with a delivery date of August 2016. This capability area consists of the processes and system functionalities relevant to managing the usage and the storage of Hazardous Materials. The government is planning future work under the new IDIQ and is assuming an August 2016 deadline; those schedules will be at risk if the deadline is missed. Without continued support from Accenture the following key deliverables will not be met and the HAZMAT project will fail to meet the new deadline:

- Hazardous material management, receiving, storing and issuing the HazMat items in Navy ERP for use at a Navy activity
- Approval and addition of the materials to the activity's Authorized Usage List (AUL)
- Hazardous Minimization Centers (HMCs) maintenance of AULs for all Navy shore-based activities and other DOD tenants.
- HMCs maintenance of hazardous materials which are authorized for shipboard use

- Reporting requirements, both operational and regulatory, for identifying inventory levels, usage history, emissions, etc. for HazMat items
- HazMat shelf-life management, so extended, and enhanced, functionalities in the Batch Management and Warehouse Management portions of the Navy ERP system are used to facilitate the usage and disposal of the items

Accenture was fully involved in the initial steps of analysis and now possesses the system knowledge that will allow the team to maintain momentum towards meeting the FY16 delivery date. By leveraging Accenture's experience on this project, NAVSUP BSC avoids costly and time-consuming knowledge transfer delays and reaps the benefits of team continuity to accomplish FMO Audit project deliverables.

Additionally, Accenture currently has the requisite staff onboard with all necessary system access required to accomplish the additional HAZMAT deliverables. This will allow Accenture to take action immediately as the standard two month turn around for onboarding new contractors does not apply. Another vendor would take a minimum of two months before they could begin to be effective on the project. This additional time will put the project at risk of not meeting the FY16 delivery date.

Awarding a task order modification to Accenture is requested to continue the design, customization, workbench creation, system administration, and data management for HAZMAT requirements. This will position BSC to 1) avoid the inherent downtime/work stoppage of on-boarding a new contractor; 2) avoid delay of scheduled deliverables; 3) leverage their in-depth program knowledge and expertise of this extensive project without interruption; 4) and continue execution of the Sustainment deliverables and not have to re-familiarize the contractor with all planning efforts.

A new multiple award contract (MAC) for Navy ERP Process Improvement, Reengineering, Management and Data Support Services is currently in the pre-award phase. The most recent milestone plan indicates an award date of [REDACTED] for award on initial offers with a contract start date of [REDACTED]. Awards with discussions have a planned date of [REDACTED] with a contract start date of [REDACTED].

Historically the shortest timeframe to onboard a contractor and allow them to get up to speed with all the requirements of HAZMAT, would be 3 months. The average timeframe to be able to attain a clearance for a resource, acquire all equipment, attain system access, and learn the requirement would be 6 months. In order to finish this work by August 2016 the team needs to begin by February 2016 and Accenture is the only vendor in a position to accomplish the work.

6. **DETERMINATION OF BEST VALUE:**

The MAC established labor rates for the labor categories necessary to perform the tasks associated with this requirement and determined those rates to be fair and reasonable. The FLC Norfolk Contracting Officer will determine, using the procedures in FAR 15.4, that the order represents the best value to meet the Government's needs. The contracting officer may, also, seek additional discounts before placing the order.

7. **DESCRIPTION OF MARKET RESEARCH:**

This requirement has been determined to be a sole source to Accenture in order to continue the sustainment deliverable as described above in section 3. No additional market research was conducted.

8. **OTHER FACTS SUPPORTING THE USE OF AN EXCEPTION TO FAIR OPPORTUNITY:**

None.

9. **ACTIONS TO REMOVE BARRIERS TO COMPETITION:**

All future requirements will be handled on a case-by-case basis.

10. **CONTRACTING POINT OF CONTACT:**

The point of contact at NAVSUP FLC Norfolk's Mechanicsburg Site Contracting Office is [REDACTED]

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

Technical Cognizance:

[Redacted signature area]

Signature Name (Printed) Phone No. Date

[Redacted signature area]

Signature Name (Printed) Phone No. Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

[Redacted signature area]

Signature Name (Printed) Phone No. Date

CONTRACTING OFFICER CERTIFICATION

I certify that this Justification is accurate and complete to the best of my knowledge and belief. To the extent that the J&A/LSJ value is between \$150K and \$700K, the Contracting Officer's signature below also represents approval of the J&A/LSJ.

[Redacted signature area]

CONTRACTING ACTIVITY COMPETITION ADVOCATE REVIEW

To the extent that the J&A/LSJ value is [Redacted] Competition Advocate's signature below also represents approval of the J&A/LSJ.

[Redacted signature area]

Signature Name (Printed) Phone No. Date