



DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER NORFOLK
1968 GILBERT STREET SUITE 600
NORFOLK VA 23511-3392

IN REPLY REFER TO

Control Number 15561

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY
OPERATING MATERIALS AND SUPPLIES (OM&S) CONTRACTOR SUPPORT
SERVICES

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 Command Fleet Logistics Center
(NAVSUP FLC) Norfolk – Mechanicsburg Office
5450 Carlisle Pike
Bldg. 407
Mechanicsburg, PA 17055-0788

2. **NATURE/DESCRIPTION OF CONTRACT ACTION:**

This action is conducted under the authority of 10 U.S.C. 2304a through 2304d. This is a sole source action to be awarded as a logical follow-on to task order N00104-13-D-QA03-0004, which was awarded to the large business identified in paragraph 3 below. The placement of a firm-fixed price order is anticipated.

3. **DESCRIPTION OF REQUIRED SUPPLIES/SERVICES:**

The proposed acquisition is to acquire contractor support services (CSS) to manage the implementation and follow-on support of Navy Enterprise Resource Planning (ERP) functionality for Fiscal Year 15 (FY15) to include adding material/inventory for both Operating Materials and Supplies (OM&S) and Navy Working Capital Fund (NWCF) sites within Naval Air Systems Command (NAVAIR), Naval Sea Systems Command (NAVSEA).

The project approach will mirror previous implementations and will include the following: implementation planning, Navy ERP environment setup, system configuration for new material masters and warehouses, user role mapping and activations, data conversion, support to legacy shut down (off-line processing) and production transition with catch-up. The standard process includes mock conversions followed by cutover practice and final production cutover with catch-up. Specifically, IBM will provide the following services:

- Navy ERP OM&S Implementation Plan and Strategy to support NAVAIR and NAVSEA sites.

- Functional and technical services in the areas of customer support for testing, deployment, customer sustainment and subsequent system change requests.
- Cutover and Implementation support services to include: Configuration and Set-Up of Cutover Practice and Production Environments (plant configuration, warehouse configuration, printer configuration, sourcing configuration, other tables, etc.).
- Batch Data Conversion and Reporting, Data Load Error Resolution, Defect Identification, tracking, and Resolution.
- Modification of internal batch processes into a batch processing tools necessary for Systems Commands (SYSCOMs) to load additional material/inventory into Navy ERP. Batch Load Tools include:
 - C001 ZQ05/ZQ15 Project Funding
 - C001/DC07 Network Activities
 - C001/DC08 Network Headers
 - C001/DC11 Projects/WBS
 - C002 Prices
 - C007 ZNSNs / ZLCNs / ZHRS
 - C226/DC01 Bin Inventory
 - C226/DC02 Create Bins
 - C227 Inventory
 - C945 Local Vendors
 - E971 Extend Materials
 - E971 Extend Materials HQ10 / Extend Materials Plants
 - I941 Commercial Vendors
 - MR21 Price Updates for Local Materials
- Data cleansing, migration and integration, training, investigation of failed transactions and system failures, and development of remedial action plans.
- Recommend, develop, and test solutions for upgrades, interfaces, and configuration changes. Consult with reports, interfaces, conversions, and enhancements (RICE) development and functional experts to determine end-state solutions.
- User Management and Roles and Security support to include: Mock environment access, Cutover practice environment access, Role Mapping, New Role Creation, Derived Role Creation/revision, New/Derived Role Testing, User Account Creation, Role Mapping/Role Assignment in Navy ERP, Role Activation in Navy ERP (Production environment).
- Develop and document a 100% solution with minimal additional work necessary for an end user solution for the Standard Operating Procedures (SOP) to control the

Batch Data Loads (conversions) executed by SYSCOMs. IBMs experience positions them to conduct successful knowledge transfer to the SYSCOMs.

These services are needed to provide support for FY15 – NAVSEA sites and the initial NAVAIR sites and will utilize the services that were provided during contract N00104-13-D-QA03/0004. The scope of work included in this task order will complete the major SYSCOMs initial OM&S implementations with the implementation of the major NAVAIR sites.

The award of a firm-fixed price order to IBM U.S. Federal is anticipated under its NAVSUP BSC Navy ERP CSS Indefinite Delivery/Indefinite Quantity (ID/IQ) contract N00104-13-D-QA03. The base period of performance is date of award through 10 months with one three-month option period. The total estimated value of the task order is Base Period (10 months): [REDACTED], Option Period (3 months): [REDACTED] for a total amount of [REDACTED]. The Base Period will be funded with FY15 NWCF. It is anticipated that the Option Period, if exercised, will be funded with FY16 NWCF.

4. **IDENTIFICATION OF THE EXCEPTION TO FAIR OPPORTUNITY:**

The statutory authority which permits providing each awardee a fair opportunity to be considered for each order exceeding \$3,000 issued under a multiple award contract (MAC) is 10 U.S.C. 2304c, as implemented by Federal Acquisition Regulation (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 in which all awardees were given a fair opportunity to be considered for the original order.

5. **DEMONSTRATION OF THE CONTRACTOR’S UNIQUE QUALIFICATIONS:**

The IBM U.S. Federal’s Team has supported past Navy (ERP) OM&S Implementations and NWCF inventory loads under Navy ERP Program Office contracts. This requirement was a competitive action using the NAVSUP BSC IDIQ contracting vehicle N00104-13-D-QA03 to obtain services to support OM&S material conversions and implementations for NAVSEA sites and SPAWAR sites in FY13-14. The PWS requirements have been met by IBM, under IDIQ contract N00104-13-D-QA03 Task Order 0004 awarded to IBM U.S. Federal. This task order expired on February 28, 2015.

Utilizing the current contractor will provide the NAVAIR team the same processes and procedures utilized in previous implementations at other SYSCOMs, thereby creating a consistent knowledge baseline, approach and methodology for OM&S material management.

IBM U.S. Federal has been the sole provider of these services and is currently involved in these services that will allow the team to maintain momentum towards meeting the FY16 completion date. By leveraging IBM U.S. Federal’s experience on this Project,

NAVSUP BSC avoids costly and time-consuming "ramp-up" delays and reaps the benefits of team continuity.

A logical follow-on task order as a sole source to IBM U.S. Federal is requested to continue the transition of the OM&S materials into Navy ERP. 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) complete the NAVSEA and NAVAIR implementations and attain the goal of in-sourcing at the end of this contract, 5) streamline conversion processes, 6) provide standard operating procedures, and 7) batch load tools.

IBM U.S. Federal is the contractor of record for the start of this requirement and now possesses the extensive background and knowledge to implement the standardized business process for material conversion. IBM U.S. Federal has conformed to the contract requirements, specifications and standards, providing their expertise upon assisting the development and implementation of a standardized business solution for source code conversion.

6. **DETERMINATION OF THE 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 NAVSUP FLC Norfolk, Code 215 Contracting Officer will determine, utilizing 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 sole source to IBM U.S. Federal as a logical follow-on to the OM&S material conversion and implementation work already completed for NAVSEA sites and SPAWAR sites in FY13-14 under task order N00104-13-D-QA03-0004. Work for this contract includes NAVSEA sites and the initial NAVAIR sites. No additional market research was conducted.

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

None.

9. **ACTIONS TAKEN 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], commercial (717) [REDACTED], or email [REDACTED]

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]

10 MAR 2015

[Redacted]

10 MAR 2015

ate

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

[Redacted]

1 JUNE 15

ate

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 \$650K, the Contracting Officer's signature below also represents approval of the J&A/LSJ.

Digitally signed by

[Redacted]

23 APR 2015

ate

CONTRACTING ACTIVITY COMPETITION ADVOCATE REVIEW

To the extent that the J&A/LSJ value is between \$650K and \$12.5M, the Competition Advocate's signature below also represents approval of the J&A/LSJ.

[Redacted]

2 June 2015

[Redacted]