U.S. Small Business Administration

Fiscal Year 2020
Contract Bundling Report to Congress

January 26, 2022

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1. List of Tables

2. Abbreviations

Chief Financial Officer (CFO)
Federal Acquisition Regulation (FAR)
Federal Procurement Data System-Next Generation (FPDS-NG)
North American Industry Classification System (NAICS) code
United States Code (U.S.C.)
Fiscal Year (FY)
United States Army (USA)
United States Air Force (USAF)
Defense Logistics Agency (DLA)
Small Business Concern (SBC)
Office of Small and Disadvantaged Business Utilization (OSDBU)

3. List of the 24 CFO Act Agencies

Department of Commerce (DOC)
Department of Defense (DoD)
Department of Energy (DOE)
Department of Homeland Security (DHS)
Department of Interior (DOI)
Department of Justice (DOJ)
Department of Labor (DOL)
Department of Transportation (DOT)
Department of Education (Education)
Environmental Protection Agency (EPA)
General Services Administration (GSA)
Department of Health and Human Services (HHS)
Department of Housing and Urban Development (HUD)
National Aeronautics and Space Administration (NASA)
Nuclear Regulatory Commission (NRC)
National Science Foundation (NSF)
Office of Personnel Management (OPM)
Small Business Administration (SBA)
Social Security Administration (SSA)
Department of State (STATE)
Department of Treasury (TREASURY)
U.S. Agency for International Development (USAID)
Department of Agriculture (USDA)
Department of Veterans Affairs (VA)

4. List of the 17 Non-CFO Act Agencies

Consumer Financial Protection Bureau (CFPB)
Consumer Product Safety Commission (CPSC)
Corporation for National and Community Service
Court Services and Offender Supervision Agency
Executive Office of the President (EOP)
Export-Import Bank of the U.S.
Federal Election Commission (FEC)
Federal Trade Commission (FTC)
Government Accountability Office (GAO)
J.F. Kennedy Center for the Performing Arts
National Archives and Records Administration (NARA)
National Gallery of Art
Overseas Private Investment Corporation
Railroad Retirement Board (RRB)
Smithsonian Institution
United States Agency for Global Media, BBG
United States International Development Finance Corporation

5. Report Summary

The Small Business Act (the Act) requires the U.S. Small Business Administration (SBA) to annually submit a report on contract bundling to the Committee on Small Business of the United States House of Representatives and the Committee on Small Business and Entrepreneurship of the United States Senate. Section 3 of the Act, 15 U.S.C. § 632(o)(1), defines "bundled contract" as "a contract that is entered into to meet requirements that are consolidated in a bundling of contract requirements." Similarly, 15 U.S.C. § 632(o)(2) defines "bundling" as "Consolidating two or more procurement requirements for goods or services previously provided or performed under separate smaller contracts into a solicitation of offers for a single contract that is likely to be unsuitable for award to a small-business concern due to:

A. The diversity, size, or specialized nature of the elements of the performance specified
B. The aggregate dollar value of the anticipated award
C. The geographical dispersion of the contract performance sites
D. Any combination of the factors described in subparagraphs (A), (B), and (C)

Section 15 of the Act, 15 U.S.C. § 644(p)(4)(B), requires an annual report on contract bundling that should contain the following information:

(i) Data on the number, arranged by industrial classification, of small businessconcerns displaced as prime contractors as a result of the award of bundled contracts by Federal agencies

(ii) A description of the activities with respect to previously bundled contracts ofeach Federal agency during the preceding year, including:

(I) Data on the number and total dollar amount of all contract requirementsthat were bundled

(II) With respect to each bundled contract, data, or information on:

(aa) The justification for the bundling of contract requirements.

(bb) the cost savings realized by bundling the contract requirements over the life of the contract.

(cc) The extent to which maintaining the bundled status of contractrequirements is projected to result in continued cost savings.

(dd) The extent to which the bundling of contract requirements complied with the contracting agency's small business. subcontracting plan, including the total dollar value awarded to small business concerns as subcontractors and the total dollar value previously awarded to small business concerns as prime contractors.

(ee) The impact of bundling contract requirements on small businessconcerns unable to compete as prime contractors and industries of such small business concerns—including a description of any changes to the proportion of any such industry that is composed of small business concerns.

Section 15 of the Act (15 U.S.C. § 644(p)(5)) provides that SBA shall have access to information collected in the Federal Procurement Data System-Next Generation (FPDS-NG) and that the head of each contracting agency shall provide SBA with procurement information collected through existing data sources.

SBA evaluates the FPDS-NG contracting data using the FPDS-NG Bundling Report and requests a written report from each of the 24 Chief Financial Officers (CFO) Act agencies that provides the information required by 15 U.S.C. § 644(p)(4)(B) of the Act.

FPDS-NG and agency data sources do not currently contain sufficient information to quantify the extent to which the bundling of contract requirements impacts the ability of small businesses to compete as prime contractors. The current data is not data sufficient to compare the savings realized under an existing bundled contract with the potential savings that may occur if that bundled contract is re-competedin its current configuration. This report contains a summary of agency narrative reports that address the bundling data required by 15 U.S.C. § 644(p)(4)(B). FPDS-NG does not currently capture estimated savings at the transaction level, nor does it capture bundling that occurs overseas. The Federal Acquisition Regulation (FAR), in FAR 2.101, considers bundling to "not apply to a contract that will be awarded and performed entirely outside of the United States" and is at variance with the definition of bundling at 15 U.S.C. § 632(o)(2).[1] In FY 2017 FPDS-NG was revised, V1.4 SP 33.0, to provide an improved capability for all agencies to identify bundled contract actions. However, FPDS-NG does not capture savings at the contract action transaction level; and the agency narrative reports continue to be the only source of information on savings from bundling.

[1] FAR Case 2016-002 Applicability of Small Business Regulations Outside the United States would, if finalized based on the text in its proposed rule, update the FAR to apply bundling to contracts awarded and performed entirely outside of the United States.

6. Fiscal Year 2020 Results

SAM.gov reported that the total ultimate contact value (including options) of newly awarded bundled contracts and newly awarded bundled orders in FY 2020 was $64,030,281,778.[2] SBA found these awards included 279 awards to small businesses and therefore were incorrectly included in the report as bundled contract activity. That total should be recalculated to subtract the amount ($567,995,034) from those incorrectly included small-business awards, resulting in a new total of $63,462,286,744 of ultimate contract value for new bundled contracts and orders awarded in FY 2020.

SBA sought the FY 2020 bundling data directly from all 24 CFO Act agencies and 17 non-CFO Act agencies that reported bundled contracts, in concurrence with FPDS-NG. Nineteen of the 24 CFO Act Agencies reported no bundling activity. Seven non-CFO Act agencies verified and corrected the FY 2020 reported bundling activity in FPDS-NG. Five CFO Act agencies responded with the enclosed FY 2020 contract bundling reports that covered bundling activity in FY 2020. DoD (Enclosure 1), DOI (Enclosure 2), GSA (Enclosure 3), VA (Enclosure 4), and Treasury (Enclosure 5). SBA has not received responses from 11 of the non- CFO Act agencies regarding the status of bundled contracts by the time this report was released.

The Department of Veterans Affairs (VA) reported bundling activities that totaled $55,152,609,867 in ultimate contract value (Enclosure 4). Department of Defense (DoD) reported bundling activities seven bundled contract awards in FY 2020 that totaled $14,754,060,301 in ultimate contract value. DoD did not provide an update on two additional bundled contract awards that were reported in FY2015 and FY 2016 and were still active in FY 2020.

The FY 2015 bundled contract represented a total of $2,113,333 in obligated funds in FY 2020. The FY 2016 bundled contract represented a total of $4,730,377 in obligated funds in FY 2020.

[2] The ultimate contract value includes the total anticipated value of the base period plus the value of all options. The value may reflect the maximum quantity of supplies or services to be acquired, the ceiling price, or the highest final priced alternative to the government, or a combination of those. For multiple-award contracts, the ultimate contract value may be repeated across the multiple awardees even though the actual obligations will be shared by the awardees.

Thus, overall, in FY 2020, $344,250,239 was obligated through DoD bundled contract actions as included in Table 1 below and the DoD FY 2020 Contract Bundling Report in (Enclosure 1).

The General Services Administration (GSA) reported bundling activities that totaled $1,054,349,025 in ultimate dollar value (Enclosure 3). The Department of the Interior (DOI) contract bundling report provided information for one bundled contract. As of the date of this report, FPDS-NG does not show FY 2020 obligations for DOI's bundled contract (Enclosure 2). The Department of the Treasury (Treasury) reported bundling activities that totaled $73,852in ultimate dollar value (Enclosure 5).

Table 1 provides a summary total of FY 2020 contract bundling activities for the reporting agencies:

Table 1. Summary of the 24 CFO Act Agency FY 2020 Reported Obligations Against Bundled Contracts

Contracting Agency	Total Dollars Obligated on Bundled Contracts inFY 2020	Total Ultimate Contract Value of New Bundled Contracts (Over Life of Contracts)
DoD	$344,350,239	$15,095,521,804
DOI	$0	$482,984,533
GSA	$31,793,268	$1,054,349,025
VA	$199,063,460	$55,152,609,867
TREASURY	$73,852	$73,852
TOTAL	**$575,280,819**	**$71,785,539,081**

Source: Table 1 information obtained from FPDS-NG and Agency Reports

Table 2 reflects the current contract bundled dollars between FY 2019 versus FY 2020:

Table 2. Summary of Bundling Contract in FY 2019 vs. FY 2020, as the date of thisreport, in SAM.gov

Contracting Agency	Total Bundled Dollars in FY 2019	Total Bundled Dollars in FY 2020
VA	$91,873,061,639.43	$55,152,609,867
DoD	$2,010,947,314.59	$15,095,521,804
GSA	0	$1,054,349,025.00
TREASURY	0	$73,852.00

Source: Table 2 information obtained from FPDS-NG and Agency Reports

7. Summaries of Agency Submitted Reports

7.1 U.S. Department of Defense (DoD)

Pursuant to 15 U.S.C. § 644(p)(4)(B) of the Small Business Act which requires SBA to prepare an annual report on contract bundling, the DoD Office of Small Business Programs (OSBP) submitted a report to SBA that describes the extent of the Department's contract bundling for FY 2020 (Enclosure 1).

Based on a review of the data reported in the FPDS-NG along with each DoD component that reported such data, it was determined that DoD bundled seven new contracts in FY 2020 and continued to make awards against two existing bundled contracts previously reported in FY 2015 and FY 2016. The new bundled contracts reported in FY 2020 were (1) the United States Navy (USN) requirement for the Contractor Logistics Sundown Sustainment Strategy for the T/AV-8B aircraft; (2) the USN requirement for support of the MK-41Vertical Launch System (VLS); (3) United States Air Force (USAF) requirement for AFNCR-ITS for unity of effort for cybersecurity and sustainment measures; (4) the Defense Logistics Agency (DLA) requirement for the T64 aircraft engine and engine parts support; (5) the DLA requirement for TF34 engine logistics support; (6) the DLA requirement for J85 aircraft engines and engine parts support; and (7) the DLA requirement for AH-64/CH-47 aircraft support.

Additionally, DoD's contract bundling report did not provide updates on bundled contract awards previously reported in FY 2015 and FY 2016. The FPDS-NG data provided new obligations associated with Contract Nos. HQ003415D0014 and SPE7LX16D0125 that were previously identified as substantially bundled awards and not included in the FY 2020 DoD narrative. The FY 2015 and FY 2016 previously bundled contracts data, the information below, and the FY 2020 DoD contract bundling report, (Enclosure 1) provide details regarding DoD bundled contracts and anyassociated justifications and impacts.

7.1.1 Data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by the DoD:

There were 1,595 small business concerns (SBCs) displaced by the DoD FY 2020 bundling actions across 56 North American Industry Classification Systems (NAICS) codes. The number of small business contractors impacted by the DoD bundling activity in various NAICS codes are reported in Tables 3 and 4.

Table 3. DoD Summary of Small Business Concerns Displaced

NAICS Code	Number of Small Business Contractors Displaced
314910	3
314994	1
325199	1
326122	14
326130	13
326220	16
326299	1
327213	2
331420	13
332119	66
332510	70
332613	19
332618	26
332710	5
332722	257
332911	6
332919	40
332991	93
332994	3
333318	1
333515	2
333612	15
333613	34
333618	6
333911	7
333923	1
333992	4
333999	1
334290	1
Subtotal	**721**

Source: Table 3 information shown in Department of Defense FY 2020 Contract Bundling Report, Page 2.

Table 4. DoD Summary of Small Business Concerns Displaced (Cont'd)

NAICS Code	Number of Small Business Contractors Displaced
334412	2
334413	1
334416	2
334417	3
334419	2
334513	1
334514	4
334519	5
335110	1
335311	29
335312	2
335313	2
335314	4
335929	2
335931	12
335932	1
335991	2
335999	8
336310	27
336320	11
336390	56
336411	186
336412	320
336413	133
339991	43
488190	3
541513	12
Total (includes subtotal from Page 14)	**(874 + 721) = 1595**

Source: Table 4 information shown in Department of Defense FY 2020 Contract Bundling Report, Page 2.

7.1.2 Description of the activities with respect to bundled contracts of DoD during FY 2020:

The below table contains data on the number and total dollar amount of all contract requirements thatwere bundled:

Table 5 Summary of Active DoD Bundled Contracts in FY 2020

Contracting Agency	Procurement Instrument Identifier (PIID)	Estimated Total Ultimate Contract Valueof Bundled Contract (Lifetime value of Contract)
UNITED STATES NAVY (1700)	N6134019D1010	$12,600,000,000
UNITED STATES NAVY (1700)	N0038320DWB01	$86,346,780
UNITED STATES AIR FORCE (5700)	FA701419DA005	$445,361,476
DEFENSE LOGISTICS AGENCY (97AS)	SPE4AX19D9400	$315,463,135
DEFENSE LOGISTICS AGENCY (97AS)	SPE4AX20D9002	$274,885,350
DEFENSE LOGISTICS AGENCY (97AS)	SPE4AX20D9445	$800,000,000
DEFENSE LOGISTICS AGENCY (97AS)	SPRPA120D005U	$232003560
WASHINGTON HEADQUARTERS SERVICES	HQ003415D0014	$300,000,000[3]
DEFENSE LOGISTICS AGENCY (97AS)	SPE7LX16D0125	$41,461,503[4]
TOTAL		**$15,095,521,804**

The following attachments from the DoD report are incorporated as attachments to this report.

Attachment 1: U.S. Navy – N6134019D1010
Attachment 2: U.S. Navy - N0038320DWB01
Attachment 3: U.S. Air Force – FA701419DA005
Attachment 4: Defense Logistics Agency – SPE4AX19D9400
Attachment 5: Defense Logistics Agency – SPE4AX20D9002
Attachment 6: Defense Logistics Agency – SPE4AX20D9445
Attachment 7: Defense Logistics Agency – SPRPA120D005U

Note: There was no attachment provided for the previously reported DLA contract identified in Table 5; however, FPDS-NG shows obligations for FY 2020.

[3] DoD did not report this FY 2015 Contract on its FY 2020 Contract Bundling Report; however, there were new orders placed against this contract, which were previously reported as bundled in FY 2015. SBA includes these orders here in accordance with Section 15(p)(4)(B) of the Small Business Act.

[4] DoD did not report this FY 2016 Contract on its FY 2020 Contract Bundling Report; however, there were new orders placed against this contract, which were previously reported as bundled in FY 2016. SBA includes these orders here in accordance with Section 15(p)(4)(B) of the Small Business Act.

7.2 Department of the Interior (DOI)

The DOI Office of Small and Disadvantaged Business Utilization (OSDBU) submitted a report to SBA that describes the extent of DOI's contract bundling for FY 2020 (Enclosure 2). DOI bundled one contract in FY 2020. The new bundled contract reported in FY 2020 wasthe Enterprise Infrastructure Solutions Telephone and Conferencing Services award. The following information and the attached FY 2020 DOI bundling report in Enclosure 2provide details regarding DOI's bundled contracts and any associated justifications and impacts.

7.2.1 Data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by the DOI:

There were seven SBCs displaced by the DOI FY 2020 bundling actions across one NAICS code. The numbers of small business contractors impacted by the DOI bundling activity in various NAICScodes are reported in Table 6, below.

Table 6. DOI Summary of Small Business Concerns Displaced

NAICS Code	Number of Small Business Contractors Displaced
517110	7
Total	**7**

Source: Table 6 information shown in Department of the Interior FY 2020 Contract Bundling Report, Page 1.

7.2.2 Description of the activities with respect to bundled contracts of DOI during FY 2020:

The table below contains data on the number and total dollar amount of all contract requirements that were bundled:

Table 7. Summary of Active DOI Bundled Contracts in FY 2020

Contracting Agency	Procurement Instrument Identifier (PIID)	Estimated Total Ultimate Contract Valueof Bundled Contract (Lifetime value of Contract)
DEPARTMENT OF THE INTERIOR	140D0420F0537	$482,984,533
TOTAL		**$482,984,533**

The following attachments from the DOI report are incorporated as attachments to this report

Attachment 1: Department of the Interior – 140D0420F0537

7.3 General Services Administration (GSA)

The GSA Office of Small and Disadvantaged Business Utilization (OSDBU) submitted a report to SBA that describes the extent of GSA's contract bundling for FY 2020 (Enclosure 3). GSA bundled two new contracts in FY 2020. The new bundled contracts reported inFY 2020 were the Consular Affairs Enterprise Infrastructure Operations (CAEIO) on behalfof the Department of State; and Army Rapid Equipping Force (REF) on behalf of the U.S. Army. The information below and the attached the FY 2020 GSA bundling report in Enclosure 3 provide details regarding GSA's bundled contracts and any associated justifications and impacts.

7.3.1 Data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by the GSA:

There were seven SBCs displaced by the GSA FY2020 bundling actions across three NAICS codes. The numbers of small business contractors impacted by the GSA bundling activityin various NAICS codes are reported in Table 8.

Table 8. GSA Summary of Small Business Concerns Displaced

NAICS Code	Number of Small Business Contractors Displaced
541512	3
541330	2
541611	2
Total	**7**

Source: Table 8 information shown in General Services Administration FY 2020 Contract Bundling Report, Page 1.

7.3.2 Description of the activities with respect to bundled contracts of GSA during FY 2020:

The table below contains data on the number and total dollar amount of all contract requirements that were bundled:

Table 9. Summary of Active GSA Bundled Contracts in FY 2020

Contracting Agency	Procurement Instrument Identifier (PIID)	Estimated Total Ultimate Contract Valueof Bundled Contract (Lifetime value of Contract)
GENERAL SERVICES ADMINISTRATION	47QFCA20F0015	$810,580,971
GENERAL SERVICE ADMINISTRATION	47QFCA20F0028	$243,768,054
TOTAL		**$1,054,349,025**

The following attachments from the GSA report are incorporated as attachments to this report

Attachment 1: General Services Administration – 47QFCA20F0015
Attachment 2: General Services Administration – 47QFCA20F0028

7.4 U.S. Department of Veterans Affairs (VA)

The VA Office of Small and Disadvantaged Business Utilization (OSDBU) submitted a report to SBA that describes the extent of the VA's contract bundling for FY 2020 (Enclosure 4). VA bundled three contracts in FY 2020. The bundled contracts reported in FY2020 were in support of Community Care Network (CCN) General Healthcare. The information below and the attached the FY 2020 VA bundling report in Enclosure 4 provide details regarding VA's bundled contracts and any associated justifications and impacts.

7.4.1 Data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by the VA:

There were 69 small business concerns (SBCs) displaced by the VA FY 2020 bundling actions across two (2) North American Classification Systems (NAICS) codes. SBA requested VA send an updated Contract Bundling Report, which lists how many small businesses were displaced in each NAICS code. The VA OSDBU advised they have contacted the Acquisition Office for this contract. SBA has not received the updated information as of the date of this report.

7.4.2 Description of the activities with respect to bundled contracts of VAduring FY 2020:

The table below contains data on the number and total dollar amount of all contract requirements that were bundled:

Table 10. Summary of Active VA Bundled Contracts in FY 2020

Contracting Agency	Procurement Instrument Identifier (PIID)	Estimated Total Ultimate Contract Value ofBundled Contract (Lifetime value of Contract)
VETERANS AFFAIRS	36C79119D0004	$15,191,790,281
VETERANS AFFAIRS	36C79119D0005	$18,456,835,086
VETERANS AFFAIRS	36C79119D0006	$21,503,984,500
TOTAL		**$55,152,609,867**

The following attachments from the VA report are incorporated as attachments to this report

Attachment 1: Veterans Affairs – 36C79119D0004
Attachment 2: Veterans Affairs – 36C79119D0005
Attachment 3: Veterans Affairs – 36C79119D0006

7.5 U.S. Department of the Treasury

The Treasury's Office of Small and Disadvantaged Business Utilization (OSDBU) submitted a report to SBA that describes the extent of the Treasury's contract bundling for FY 2020 (Enclosure 5). Treasury bundled one contract in FY 2020. The bundled contract reported in FY 2020 was for Administrative and Consulting Services. The following information and the attached FY 2020 Treasury bundling report in Enclosure 5 provides details regarding this contract and any associated justifications and impacts.

7.5.1 Data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by the Treasury:

There were three SBCs displaced by the Treasury FY2020 bundling action across one NAICS code. The numbers of small business contractors impacted by the Treasury bundlingactivity in the NAICS code are represented in Table 12.

Table 11. Treasury Summary of Small Business Concerns Displaced

NAICS Code	Number of Small Business Contractors Displaced
541611	3
Total	3

Source: Table 12 information shown in Treasury FY 2020 Contract Bundling Report, Page 1.

7.5.2 Description of the activities with respect to bundled contracts of Treasury duringFY2020:

The table below contains data on the number and total dollar amount of all contract requirements that were bundled:

Table 12. Summary of Active Treasury Bundled Contracts in FY2020

Contracting Agency	Procurement Instrument Identifier (PIID)	Estimated Total Value of Bundled Contract (Lifetime value of Contract)
TREASURY (2000)	20341220F00054	$73,852
TOTAL		**$73,852**

The following attachments from the Treasury report are incorporated as attachments to this report

Attachment 1: Treasury – 20341220F00054

7.6 Savings from Bundling

While there is documentation of estimated savings in the pre-award acquisition planning to bundle or mitigate the impact of bundled contracts, currently there is scant documentation of the ability to capture and validate the cost savings realized in the initial award or through continued use of bundled contracts.

DoD identified pre-award cost savings estimates and cost-avoidance savings estimates; however, some DoD components were unable to identify cost savings realized or projected continued cost savings and indicated it was premature to provide a cost savings analysis. DLA identified cost savings estimates for the following contracts:

SPE4AX19D900, base contract $20.5M and life of the contract $74M;

SPE4AX20D9002, base contract $12.25M and life of the contract $56M;

SPE4AX20D9445, base contract $144M and life of the contract

$355M; and SPRPA120D005U $90M over the course of the entire period of performance. GSA was unable to provide actual cost savings realized or projected to continue but intends to capture cost savings and continued cost savings through manual data.
VA provided that the total cost savings realized over the life of the three contracts is $60,672,585. Treasury provided that the cost savings realized over the life of the bundled contract is $100,000.

8. Summary

SAM.gov reported FY 2020 total ultimate contract value of $64,030,281,778 for newly bundled contracts and orders. SBA found these funds included 279small businesses, thus incorrectly reported as bundled contracts, decreasing the amount by $567,995,034 resulting in total of $63,462,286,744 of in ultimate contract value.

DoD contract bundling for FY 2020 represents 34% of total Federal prime contract ultimate contract dollars. According to DoD, it mitigated the impact of bundling through the use of set- asides, reserves, and subcontracting plans. GSA contract bundling for FY 2020 represents 2% of total Federal prime contract ultimate contract dollars. According to GSA, it mitigated the impact of bundling on small business concerns through the use of teaming arrangements and incentivized subcontracting requirements. VA contract bundling for FY 2020 represents 62% of total Federal prime contract ultimate contract dollars. According to VA, the impact to small business concerns is minimal to none as existing contracts awarded to SBCs will be used until the same capability is demonstrated by Community Care Network contractors as part of implementation requirements.

Additionally, there are no expected terminations of existing contracts as a result of the bundled requirements. Treasury contract bundling for FY 2020 represents 0% of total Federal prime contract ultimate contract dollars due to the small contract value. The Treasury noted that there is no impact to small business concerns.

9. ENCLOSURES

ENCLOSURE 1 - DEPARTMENT OF DEFENSE (DOD)

Department of Defense

FY 2020 Contract Bundling Report for the Small Business Administration

Office of Small Business Programs

Office of the Under Secretary of Defense for Acquisition and Sustainment

February 2021

In support of the requirement from Section 15(p)(4) of the Small Business Act for the Small Business Administration (SBA) to prepare an Annual Report on Contract Bundling, the Department of Defense (DoD) Office of Small Business Programs (OSBP) submits this report for fiscal year (FY) 2020.

Based on an extensive review of the validated data from the *Bundled and Consolidated Contracts Report* in the beta.SAM.gov Data Bank, as well as communication with all DoD components, the Department reports 7 bundled contract for FY 2020, from the Navy, Air Force, and DLA. As requested, for FY 2020 the information below provides details regarding these contracts and any associated justifications and impacts.

1. Data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by the DoD

Agency	PIID (Referenced IDV PIID)	NAICS	# of Displaced SBs
Navy	N0001920F0052 (N6134019D1010)	488190	3
Navy	N0038320F0WB0 (N0038320DWB01)	334412	1
Air Force	FA701420F0150 (FA701419DA005)*	541513	12
Air Force	FA701420F0214 (FA701419DA005)*	"	"
Air Force	FA701420F0222 (FA701419DA005)*	"	"
DLA	SPE4A520F9420 (SPE4AX19D9400)	336412**	126
DLA	SPE4A520F209T (SPE4AX20D9002)*	336412**	152
DLA	SPE4A520F411F (SPE4AX20D9002)*	"	"
DLA	SPE4AX20F3990 (SPE4AX20D9445)*	336412**	330
DLA	SPE4AX20F5866 (SPE4AX20D9445)*	"	"
DLA	SPRPA120F0003 (SPRPA120D005U)*	336411**	186
DLA	SPRPA120F0004 (SPRPA120D005U)*	"	"

** - Multiple Delivery Orders*

*** - Additional NAICS please see Attachments*

2. Description of the activities with respect to bundled contracts of the DoD

(I) Data on the number and total dollar amount of all contract requirements that were bundled

Agency	PIID (Referenced IDV PIID)	NAICS	# of Displaced SBs
Navy	N0001920F0052 (N6134019D1010)	488190	$127,705,448.47
Navy	N0038320F0WB0 (N0038320DWB01)	334412	$23,444,254.00
Air Force	FA701420F0150 (FA701419DA005)	541513	$2,908,596.91
Air Force	FA701420F0214 (FA701419DA005)	"	$3,528,491.00
Air Force	FA701420F0222 (FA701419DA005)	"	$6,708,457.00
DLA	SPE4A520F9420 (SPE4AX19D9400)	336412	$15,344,638.10
DLA	SPE4A520F209T (SPE4AX20D9002)	336412	$5,275,066.64
DLA	SPE4A520F411F (SPE4AX20D9002)	"	$9,769,201.80
DLA	SPE4AX20F3990 (SPE4AX20D9445)	336412	$7,424,280.82
DLA	SPE4AX20F5866 (SPE4AX20D9445)	"	$66,843,825.56
DLA	SPRPA120F0003 (SPRPA120D005U)	336411	$232,003,560.00
DLA	SPRPA120F0004 (SPRPA120D005U)	"	$232,003,560.00

Details regarding the above DoD bundled contract is described in the following attachments:

1. Navy - N6134019D1010
2. Navy - N0038320DWB01
3. Air Force - FA701419DA005
4. DLA - SPE4AX19D9400
5. DLA - SPE4AX20D9002
6. DLA - SPE4AX20D9445
7. DLA - SPRPA120D005U

Summary

The DoD recognizes the importance of minimizing contract bundling to avoid adverse impacts to small businesses in the defense industrial base. Based on preliminary data, DoD expects to surpass its small business goal while mitigating most bundling. DoD implements bundling only when it is the best option in the interest of the Department and the Federal government, based on objective analysis and projected cost savings.

The involvement of Small Business Professionals throughout the acquisition process, including training of contracting personnel and participation in acquisition strategy reviews, was critical to mitigating the bundling of contracts.

DoD remains committed to providing maximum practical opportunities for small business participation in Department acquisitions. DoD Contracting Officers will continue to ensure that if they bundle contracts, they will provide appropriate justification after considering ways to mitigate the loss of opportunities for small businesses in the development of acquisition strategies. One effective strategy for the mitigation of bundling's adverse impacts to small business is a continuing commitment to maximizing subcontract opportunities for small business. In FY 2019, the Department reported $62 billion in subcontract awards representing 38% of the subcontracted dollars surpassing the 32% goal. Preliminary performance data for FY 2020 indicates that the Department is on track to achieve similar performance.

Attachment 1

Navy - N6134019D1010

THE ASSISTANT SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

IN REPLY REFER TO
D&F No. 20-136

DETERMINATION AND FINDINGS FOR AUTHORITY TO BUNDLE CONTRACT REQUIREMENTS

In accordance with Title 15 United States Code (U.S.C.), Section 644(e), Federal Acquisition Regulation (FAR) 7.107-3, 7.107-4 and the Navy Marine Corps Acquisition Regulation Supplement (NMCARS) 5207.107-3, I hereby make the following findings and determination concerning the bundling of requirements for Contractor Logistics Sundown Sustainment Strategy (CL3S) for the T/AV-8B aircraft.

FINDINGS

1. Identification of Agency and Contracting Activity: This Determination and Findings has been prepared by Naval Air Systems Command (NAVAIR), AV-8B Weapon Systems Program Office (PMA-257).

2. Action: The prospective contract action being approved involves the bundling of requirements that were previously performed under four separate contracts. The bundled requirement will be solicited as a performance-based CL3S task order on a competitive and fair opportunity basis under the existing NAVAIR Contract Maintenance, Modification, Aircrew, and Related Services (CMMARS) Multiple Award Contract (MAC) for a base period and options totaling nine years.

3. Authority: 15 U.S.C. Section 644(e) allows the head of an agency to enter into the T/AV-8B CL3S procurement on a bundling basis.

4. Procurement Strategy: The monthly Mission Capable (MC) and Full Mission Capable (FMC) rates of the T/AV-8B fleet have decreased by 17% and 39% between fiscal year (FY) 2009 and FY 2018. Four independent contracting actions addressing different requirements for the T/AV-8B through three different procuring activities, resulting from an Independent Readiness Review, have not been effective in arresting the decline. The T/AV-8B maintains a high operational tempo, 53.1% of its FY 2019 flight hours were in direct support of operational missions or deployed contingency missions, and will continue at this tempo for the foreseeable future. As a result, PMA 257 requires a new contracting approach to manage readiness. PMA 257 will bundle the requirements into the CL3S for the T/AV-8B USMC aircraft and will solicit them as a task order on a competitive and fair opportunity basis under the existing NAVAIR CMMARS MAC. The task order will contain a base period and options totaling nine years valued at approximately $164M. This task order combines multiple sustainment requirements funded with a combination of five O&M,N appropriations and APN-5 onto one order with a single process owner accountable for maintaining readiness. It involves performance across the twelve elements of logistics for the sustainment of the T/AV-8B Fleet by, citing the Independent Readiness Review conclusions, "systematically apply[ing] cross-functional process thinking [and] ensur[ing] full and consistent transparency of data, information, and activities." The

objective of the task order is to maximize the efficiency and agility of the Contractor workforce to be responsive to the real-time needs of the T/AV-8B Fleet to achieve and sustain the readiness levels required for national security

Since three of the consolidated requirements were previously performed by small businesses, this action meets the definition of bundling.[1] Therefore, approval for this procurement action is required from Assistant Secretary of the Navy, Research, Development, and Acquisition (ASN (RD&A)) in accordance with FAR 7.107-3 and FAR 7.107-4.

5. Table 1 is a summary of the current small business contracts to be bundled with additional details in the subsequent paragraphs describing the type of work performed.

Table 1 - Small Business Contracts to be Bundled under CL3S Task Order

Current Contract	**Current Contractor**	**Type of Work Performed**	**Dollar Value**	**POP**	**Business Size**	**Award Type**
M67001-19-P-0005	ASR International	Augmentation of Organizational level maintenance	$2,027,314	1 May 2019 to 30 Apr 2020	Small	Small Business Set Aside
SP3300-15-C-5004	Accent Controls	DLA Program Held Material Support	$1,884,798	1 May 2019 to 31 July 2020	Small	Small Business Set Aside
W15P7T-10-D-D421/014	AASKI Technology	Technology Engineering & Maintenance Management Support	$1,426,883	1 June 2018 to 31 Oct 2019	Small	Full and Open Competition

a. <u>ASR International Augmentation of Organizational Level Maintenance:</u> Marine Corps Field Contracting System[2] awarded this contract to ASR International to provide Contractor Maintenance Support (CMS) for Marine Attack Training Squadron (VMAT-203) at Marine Corps Air Station (MCAS) Cherry Point, Havelock, NC. The CMS contract includes scheduled and unscheduled maintenance, which includes inspections, servicing, lubricating, adjusting and the removal and replacement of aeronautical components, corrosion prevention and treatment, and maintenance documentation.

[1] As discussed in detail below, there are at least two joint ventures composed of small businesses that can perform this work. Nevertheless, in accordance with FAR 2.101 and 13 CFR Part 125.1, for purposes of determining suitability for small business award in a bundling analysis, joint ventures and other small business teaming arrangements are not considered. Thus, this action is bundling even though it is suitable for award to small business joint ventures.

[2] NAVAIR is procuring the consolidated requirements because it has the AV-8B and contractor logistics support expertise to award and manage the requirements.

b. Accent Controls Program Held Material (PHM) Support: The purpose of the contract is to perform supply, warehousing, and distribution operations for the AV-8B PHM. The AV-8B support is one requirement on a much larger support contract with a total value in excess of $10M. The Marine Corps awarded the Accent Controls contract in 2015 and did not add the AV-8B support to the contract until 2019. The period of performance for the remainder of the requirements on the Accent Controls support contract will continue even after the AV-8B work is removed.

c. AASKI Technology Engineering & Maintenance Management Support: The Technology Engineering & Maintenance Management requirement was a delivery order to produce a squadron maintenance baseline assessment and provide assistance and mentoring for maintenance, technical training plans, refining processes, and assistance to the forecasting and provisioning of material requirements. As indicated in the table, the period of performance on this contract expired in October 2019 and therefore, AASKI does not have an active contract for this requirement.

6. Market Research: PMA 257 performed market research to facilitate the maximum participation of small business concerns as prime contractors, subcontractors, and suppliers. The purpose of the market research was to identify qualified and experienced industry providers capable of providing CL3S for the T/AV-8B aircraft. The results of this market research were documented in a CMMARS Market Research Report and indicate that the CL3S requirement is not suitable for an individual small business award given the breadth and complexity of the requirement. The report also acknowledged that there are small business joint ventures on the CMMARS MAC capable of performing the effort. As stated in the market research report, there is the potential of subcontracting to small business between 10% and 15% of the requirements.

7. Additionally, PMA 257 posted an announcement on the Federal Business Opportunities (FBO) website on 1 October 2019 informing industry of its intent to compete the AV-8B CLS effort on the CMMARS MAC. The notice also listed all of the MAC holders and encouraged interested companies to contact the MAC holders for subcontracting opportunities. The Government received a response to this FBO posting from Tyonek, a company currently performing operational maintenance on an SBA 8(a) set-aside contract. Based on the feedback from Tyonek and discussions with the Navy Office of Small Business Programs (OSBP), PMA 257 decided not to consolidate the 8(a) set-aside requirements. These requirements will remain part of a distinct services effort.

8. Benefits: In accordance with FAR 7.107-3, a bundled requirement is necessary and justified if the agency can show measurably substantial benefits that may include quality improvements that will save time or improve or enhance performance or efficiency. PMA 257 anticipates that bundling the above-identified requirements will reduce cycle time to award, result in cost savings, improve quality of service, and increase efficiency of sustainment efforts. Ultimately, bundling these services will improve the readiness of the entire AV-8B fleet as compared to historical trends and improve the ability of Marine Corps aviation to support on-going operational requirements through sundown.

a. First, bundling these efforts on the CMMARS MAC will result in reduced cycle time to award as compared to a traditional FAR Part 15 full and open source selection. The

CMMARS MAC uses the fair opportunity ordering requirements under the authority of FAR Part 16.505(b), which enables use of streamlined processes, standardized evaluation documentation, and standardized price proposal submissions. For several recent CMMARS efforts, the timeline from release of the Fair Opportunity Submission Request (FOSR), which is akin to a request for proposals, to task order award was 16 weeks or less.[3] For the AV-8B effort, PMA 257 anticipates a similar timeline. In contrast, historically NAVAIR FAR Part 15 services competitions typically take 12 months from RFP release to award (see "Months to Award" in Table 2).

b. Additionally, the reduction in cycle time will also result in significant cost savings. The time and cost savings are depicted below in Table 2. The cost data in Table 2 was part of the basis for the CMMARS Consolidation D&F approved by the Office of the Deputy Assistant Secretary of the Navy, Procurement on 20 September 2019.

c. Second, bundling will increase readiness based on improvements to quality of the work and efficiency in execution as illustrated by the following examples. Currently, the Government has multiple contracts executing inter-related sustainment tasks, including maintenance, training, supply chain management, and engineering support. Performance on one contract impacts performance on others and therefore changes on one contract may negatively impact the ability of the other contractors to improve performance. For instance, delays in ordering parts on a supply chain contract impacts the ability of contractor maintainers on another contract to repair aircraft and return them to operational status. Delays conducting required technical training on one contract impact the ability of contractor maintainers to implement maintenance procedures or improvements to troubleshoot and repair aircraft. It is for these reasons that the Harrier Independent Readiness Review (HIRR) concluded as follows: "We sum up the way ahead in one word: Alignment… [of] the Engineering, Maintenance, and Supply Chain Management (EM&SCM) agencies to support the readiness requirements of the AV-8B… [through a] Single Process Owner for AV-8B T/M/S with appropriate responsibility, accountability, and authority." The bundled requirement will align the logistics support with a single process owner that can assess sustainment holistically such that changes in one area will improve, rather than degrade other aspects of sustainment. These changes will improve quality of service through higher first-pass yield rates and reduced maintenance turn-around times.

d. Additionally, the narrow, stove-piped scope of the individual contracts result in equally limited performance metrics. The current contracts measure performance by level of effort or direct labor hours, not readiness outcomes. Through bundling these sustainment tasks, the CL3S contractor will be the single process owner able to exert a greater influence on, and, therefore, be accountable for, impacts to readiness. PMA 257 will be able to incentivize the contractor based on impact to readiness rather than simply performing for the required number of hours. These incentives will directly measure quality improvements by quantifying mission capability rate, flight hours per aircrew,

[3] UC-35 (PMA 207): Final FOSR release 1 February 2019, Submissions received 18 March 2019, Awarded 31 May 2019. Airforce Air Education Training Command: Final FOSR release 17 April 2019, Submissions received 29 May 2019, Awarded 1 August 2019.

troubleshooting effectiveness, timeliness of supply support, and total monthly sortie production.

e. Third, multiple contracts creates inefficiencies in executing the work. For example, the contractor conducting O-Level Maintenance activity (currently ASR International) may identify a trend in performance or lack of experience that requires additional technical training. The entity with the knowledge and ability to conduct this training is likely resident on site through the mentorship from AASKI or support from a myriad of Original Equipment Manufacturer Fleet Support Representatives from one of three other contracts. In order for that training to be prepared and conducted, the O-Level request must be communicated through one of four contracts to provide the tasking in accordance with that contract vehicle's terms and conditions. Through bundling, the CL3S contractor will be able to identify trends found during execution and implement changes which will improve readiness metrics for the Fleet without the inefficiencies of the current situation. As the single process owner, the contractor will be best suited to efficiently apply resources without undercutting performance in other areas of sustainment.

Table 2 – Notional Time and Cost to Award

Notional Time and Cost to Award		
Status Quo – Separate Effort		Bundled Efforts
$200,883	NAWCAD annual labor rate (average of journey and expert rates)	$200,883
$16,740	Monthly cost/work year	$16,740
36 (12 months per contract; 3 contracts)	Months to award	4
24 (8 people per contract; 3 contracts)	Number of people on source selection	8
50%	% time dedicated to source selection	50%
$7,231,680	Total cost of source selection	$267, 840

9. Substantial Bundling Additional Requirements: In accordance with 15 USC § 644(e)(3) and FAR 7.107-4, this effort is considered substantial bundling due to the estimated nine-year contract value of $164M[4], and therefore, the following additional details are provided:

[4] The estimated contract value is based on consolidation of small and large business requirements. The value of the consolidated small business requirements if continued over the nine year contract is estimated at $48,050,955 (the value of the three small business contracts listed in Table 1 multiplied by nine years, assuming all the option years for the CMMARS MAC are exercised).

a. As discussed above, the benefits of substantial bundling include improved readiness as a result of quality improvement, increased efficiency in execution, reduction in cycle time to award, and cost savings.

b. PMA 257/NAVAIR completed the assessment of impediments to participation of small business concerns as part of the CMMARS Market Research Report. Based on the findings from the market research report, the platform level CLS requirement for T/AV-8B is not suitable for a small business set-aside based on the scope and complexity of the requirement; however, the CMMARS MAC provides opportunities for small business participation as detailed below. Four of the 20 CMMARS MAC awardees are joint ventures (JVs) composed of small businesses. PMA 257 ensured that its requirements are such that at least two of these small business JVs have the technical capability and contract experience to be viable competitors on the consolidated source selection.

c. Alternatives to bundling these small business requirements include: 1) consolidating only the large business contracts; or 2) increasing the scope of existing contracts to require coordination with other contracts. Neither of these alternatives, however, address the HIRR conclusion and recommendation that readiness requires the single process owner. The PMA 257 requirement is for a single process owner whose contract performance will be measured on fleet readiness.

d. NAVAIR is in the process of awarding a small business set aside MAC for System & Component Level CLS requirements, known as Kits, Recovery, Augmentation, Components and Engines (KRACEn). The KRACEn MAC has a more limited scope providing single satellite site, simple platform, O-level CLS requirements involving limited aircraft quantities as compared to the CMMARS MAC which is intended for platform level CLS requirements. Therefore, KRACEn is not suitable for the Harrier O-level, Intermediate level, or Depot level maintenance and supply support at multiple sites.

e. Originally, PMA 257 desired to consolidate the operational maintenance requirements currently being performed by Tyonek on a Small Business Administration 8(a) set-aside contract valued at approximately $15,247,000 assuming all options are exercised. After discussions with the SBA and Navy OSBP, PMA 257 decided not to consolidate the 8(a) requirements, reasoning that it could still achieve its desired quality and readiness outcomes by consolidating the other requirements.

f. In order to maximize small business participation of subcontractors, the CMMARS task order will include a 10% small business participation goal. Additionally, as previously stated, at least two of the CMMARS MAC holders are small business JVs comprised of multiple small businesses. If any of these JVs receive the Task Order award, there will be significant small business participation.

10. The anticipated readiness, quality, efficiency, and cost savings benefits of the proposed bundled task order combined with the opportunities available to small business with the CMMARS MAC justify its use.

DETERMINATION

Based upon the above findings, it is hereby determined that bundling is necessary and justified. The benefits expected to be achieved through bundling are substantial and this action is critical to the agency's mission success. The acquisition strategy provides for maximum practical participation by small business concerns.

James F. Geurts

27 Feb 20
Date

Attachment 2

Navy - N0038320DWB01

THE **ASSISTANT** SECRETARY OF THE NAVY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
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DETERMINATION AND FINDINGS FOR AUTHORITY TO BUNDLE CONTRACT REQUIREMENTS

Upon the basis of the following findings and determination, which are hereby made pursuant to the authority of 15 U.S.C Section 644(e), Federal Acquisition Regulation (FAR) 7.107-3 and the Navy Marine Corps Acquisition Regulation Supplement (NMCARS) 5207.107-3, the proposed contract described below may be entered into on a bundling basis to provide for a five-year base, no options. The prospective contract is a Requirements contract for support of the MK-41 Vertical Launch System (VLS) via a Performance Based Logistic (PBL) contract.

FINDINGS

1. Identification of Agency and Contracting Activity

   This Determination and Findings has been prepared in the Contracting Directorate of Naval Supply Systems Command Weapon Systems Support (NAVSUP-WSS), a contracting activity that falls under Naval Supply Systems Command.

2. Nature/Description of Action

   This Determination and Findings describes the proposed award of a sole-source Requirements Performance Based Logistics (PBL) contract to Lockheed Martin Corporation (Cage Code 38597) for supply support of the MK-41 Vertical Launch System (VLS). This requirement is for NAVSUP Weapon Systems Support - Mechanicsburg, PA. This proposed contractual action will satisfy a five-year requirement (5 base years, no options) employing a Firm-Fixed Price Contract. The base period (22 November 2019 through 21 November 2024) estimate is approximately $68,994,681.25 in support of 282 components. This contract will bundle the following requirements, representing 1.6% of the total estimated value of the proposed contract:

   a. Cable and Conduit Assembly, National Stock Number 6150-01-466-6258
   b. Cable and Conduit Assembly, National Stock Number 6150-01-466-6259
   c. Cable and Conduit Assembly, National Stock Number 6150-01-466-6260
   d. Cable and Conduit Assembly, National Stock Number 6150-01-466-6261
   e. Cable and Conduit Assembly, National Stock Number 6150-01-486-4193
   f. Cable and Conduit Assembly, National Stock Number 6150-01-502-2634

   These cables represent a family of cables with similar construction and characteristics IAW Naval Sea Systems Command (NAVSEA) engineering drawing 6912309, which differ primarily in length and connector keying. They electrically connect the Launch Sequencer to the Ordnance (missiles), therefore they have critical performance requirements, such as shielding effectiveness, thermal and mechanical shock, flexibility, and bend radius. · When the cables are found to be defective during visual inspection and/or electrical test during a simulated launch, the MK-41 VLS becomes degraded as it is not cable of firing a full missile load. The MK-41 VLS becomes combat ineffective if it cannot fire the quantity of missiles required to conduct the mission successfully, or fails to fire during a live missile launch attempt.

3. Results of Market Research

The following actions were taken in attempt to ascertain whether there are sources capable of fulfilling the contract requirements:

a. These cables currently have a procurement Acquisition Method Code = 2C, allowing them to be procured competitively. Currently there are two companies source approved for manufacture, Lockheed Martin (Cage Code 38597) and small business DCX-Chol Enterprises (Cage Code 63127). Market research has not identified any new sources attempting to become qualified for any of the items covered by this proposed contract. No source approval requests, including any from a small business, are currently pending.
b. A sources sought notice was released in the Navy Electronic Commerce Online (NECO) and FedBizOpps (FBO), the website for the government-wide point of entry on 23 March 2018. MC2 Sabtech Holdings, Inc., DBA IXI Technology, expressed interest in the repair ofNIINs 016617326 & 016073303. IXI Technology is a small business and an approved source to repair NIINs 016617326 & 016073303. IXI Technology previously supported NAVSUP WSS requirements through individual purchase orders and has successfully demonstrated their ability to adhere to the contractual requirements. Due to the non-critical nature of these components and in efforts to foster participation of small businesses, NAVSUP WSS removed NIINs 016617326 & 016073303 from the requirement and will contract directly with IXI Technology for future requirements. Lockheed Martin was the only company to express interest in the full requirement of the proposed contract.
c. The proposed acquisition strategy was reviewed by the NAVSUP WSS Office of Small Business Programs and conditionally approved via DO2579, Small Business Coordination Record, on 10 September 2018. Conditional approval is contingent on:

1. Lockheed Martin qualifying DCX-Chol as a subcontractor within their subcontracting base giving DCX-Chol the opportunity to compete for the business, and
ii. Lockheed Martin must subcontract to small business(es) the total estimated value of that would be available to small business through traditional contracting support in addition fo their traditional small business subcontracting goals.

A synopsis was issued to NECO and FedBizOpps on 07 August 2018. No sources expressed an interest in this proposed acquisition, except for Lockheed Martin, in response to this synopsis. In efforts to promote the participation of small business concerns, the solicitation and resultant contract will incorporate FAR clause 52.219-8, Utilization of Small Business Concerns, FAR 52.219-9 with Alt II, small business Subcontracting Plan (DoD Contracts), and FAR 52.242-5, Payments to Small Business Subcontractors. Lockheed Martin will be required to submit an acceptable small business subcontracting plan with their offer in accordance with FAR 19.705-4. The PCO will review the subcontracting plan in accordance with FAR 19.705-4 and ensure that Lockheed Martin submits timely reports into Electronic Subcontracting Reporting System (eSRS) as required.

d. Below reflects the most recent contract history awarded in FY18 to DCX-Chol Enterprises for the six NSNs:

NSN	Purchase Order
6150-01-466-6258	SPRMM118PWH69
6150-01-466-6259	SPRMM118PWF70
6150-01-466-6260	SPRMM118PWE95
6150-01-466-6261	SPRMM118PWF55
6150-01-486-4I93	SPRMM118PWH84
6150-01-502-2634	SPRMM118PWF84

The above purchase orders include an average Production Lead Time (PLT) of 5-6 months. However, historically DCX-Chol has been late on delivery. In FY16 & FYI7, DCX-Chol was awarded individual purchase orders for the NIINs identified above which included First Article Testing (FAT). The FY16-17 purchase orders included a 270 day PLT pending the approval of FAT. Currently the average supply response time for these items is 1318 days. The average response time of 1318 days is attributed to long administrative lead times during the pre-award source selection process and long production lead times during post award for the vendor to produce the items. Additionally, time has been added for the government to complete validation and testing of the vendor's products.

4. Substantial Benefits

The criteria for detenning that the benefits are measurably substantial is if individually, in combination, or in the aggregate the anticipated financial benefits are equivalent to ten percent of the estimated contract or order value (including options) if the value is $94 million or less. While NAVSUP WSS understands that a full analysis is necessary prior to contract award, performing the analysis early in the initiative would not produce an accurate assessment. NAVSUP WSS's decision is to conduct a preliminary analysis at · this time and perfonn a full analysis after negotiations are complete. This allows the most accurate analysis of savings by comparing today's "as-is" cost to actual negotiated prices of the potential arrangement.

As mentioned above, the only two sources approved for manufacture are Lockheed Martin and small business DCX-Chol Enterprises (DCX-Chol). Preceding the contracts awarded to DCX-Chol, these items were acquired through purchase orders awarded to Lockheed Martin. Lockheed Martin did not submit a quote for current (FY18) requirements. A price analysis was conducted, utilizing historical unit pricing. After historical unit pricing was pulled for each contractor, these unit prices were adjusted to account for differences in inflation since time of procurement using the Producer Price Index for Ship Building and Repair (PPI 336611). These inflation-adjusted prices were further escalated t the mid-point of performance unit price under the proposed contract using PPI 336611. The mid-point of performance of the proposed contract is year three of the performance period and reflects the average unit price for these cables over the five-year performance period. Once mid-point of performance unit price was developed it was multiplied against the five year forecasted demand to compute the extended value. The tables below delineate the price analysis. The analysis reflects a 25.90/o savings on price alone for the subject six NIINs when under the management of Lockheed Martin vice procurement under DCX-Chol.

Lockheed Martin

NHN	Mid-Point of Performance U/P	Five Year BEQ	Extended Value
014666258	$ 14,235.09	11	$156,585.99
014666259	$ 21,750.63	11	$239,256.93
014666260	$ 13,919.17	16	$222,706.72
014666261	$ 21,158.30	11	$232,741.30
014864193	$ 13,917.00	12	$167,004.00
015022634	$ 19,587.99	11	$215,467.89
Total			$ 1,200,780.54

DCX-Chol

NHN	Mid-Point of Performance U/P	Five Year BEQ	Extended Value
014666258	$ 21,190.22	11	$ 233,092.42
014666259	$ 19,560.20	11	$ 215,162.20
014666260	$ 19,560.20	16	$ 312,963.20
014666261	$ 27,166.95	11	$ 298,836.45
014864193	$ 21,733.56	12	$ 260,802.72
015022634	$ 27,166.95	11	$ 298,836.45
Total			$ 1,619,693.44

The proposed acquisition is also expected to result in the following benefits which are presently unquantified:

a. The benefit of bundling is the targeted use of qualified sources with certified production lines and processes. Since Lockheed Martin is the Original Equipment Manufacturer (OEM) and system integrator of the MK.-41 VLS, they have qualified sources of product that meets NAVSEA requirements for every component in the system, to include the bundled items. In many instances Lockheed-Martin provides technical assistance and process oversight to validate and improve the production process of their sources. In order for the Government to ascertain whether their competitive sources meet NAVSEA requirements, it must conduct continual first article and production lot testing which adds a significant amount of delay in delivery of a product. When these tests fail, no delivery of product occurs, so the Government is forced to restart the procurement process.

b. This contract will contain performance metrics for supply response time which will establish time definite delivery dates that meet the Program's readiness goals. Using this contract will reduce average supply response time from 1318 days to the proposed desired SRT metric of less than 30 days. The contractor will achieve this through material requirements planning (forecasting). Failure to achieve the delivery requirements within each performance period will result in a total contract price reduction.

c. These cables as a group are constantly impacted by Engineering Change Proposals (ECPs) and many have known obsolescence issues. Under the PBL contract, both obsolescence and configuration management risk is assumed by Lockheed Martin. Lockheed Martin will be required to engage in Program Management Reviews (PMRs) which will allow NAVSUP WSS to monitor Lockheed Martin's perfonnance in this area. Lockheed Martin may not request relief from contract metrics due to diminished sources of supply or the need to qualify new sources of supply for alternate material. Failure to meet delivery requirements may result in a total contract price reduction.

Furthermore, the average cost of the cables is $20.6K each under a traditional logistics

S

support strategy. It is unknown at this time what the average cost of the cables will be under this new PBL approach, so it is not feasible at this time to calculate a tangible cost savings. However, as Casualty Reports increase and fleet readiness degrades, Type ·Commanders (TYCOM) will require On Board Repair Part allowances to establish these cables as Store Room Inventory items for all of the vessels and shore sites to increase readiness. This will realize an additional cost for the Navy to procure them. With six (6) cables per vessel, the approximate cost per vessel is $123.6K ($20.6K x 6).With 94 vessel locations, the total cost for Cable Allowances will be approximately $11.6M. Currently that cost is $0 based on current readiness based sparing requirements, so the cost avoidance realized by this action is $l1.6M.

Based on the above, the anticipated cost savings for this effort will be a minimum of ten percent. If the savings after negotiations is not at least ten percent, NAVSUP WSS will re-engage Small Business Administration (SBA) and the NAVSUP WSS Small Business Office to determine the additional impact to small business and a path forward. ·

5. Alternative Strategies

The alternative strategy is to continue to manage these cables through traditional logistics support strategy that provides increased opportunities for competition, while increasing risk to fleet readiness. Contracting separately has failed to deliver the high level of readiness that the fleet requires due in large part for DCX-Chol late deliveries on previous contracts. The use of performance based contracting will allow the contractor to directly impact the supply chain, aligning the goals of sustainment, readiness and material availability, with the requirements of this contract while affording the contractor the flexibility and opportunity for innovation necessary to achieve them. Additionally, maintaining the approach of separate contracts duplicates contracting and administrative efforts, increasing administrative costs, and eliminates the potential for supplier efficiencies and readiness improvements that would benefit the MK-41 VLS performance. Transactional support does not provide the single point of accountability over the entire supply chain for the MK-41 VKS which will be obtained under the proposed contract. The accountability and management responsibility inherent in a PBL contract, compels the contractor to identify and resolve common concerns of the sustainment phase including obsolescence and maintainability, ultimately leading to an anticipated reduction in sustainment costs of those components covered. As such, there was no alternative strategy involving a lesser degree of consolidation that would provide the desired readiness support, while obtaining a lower cost solution.

DETERMINATION

Based upon the above findings, it is hereby detennined that bundling is necessary and justified. The benefits that are expected to be achieved through bundling are significant but not expected to meet the threshold established in FAR 7.107-3(d)(l). This action is critical to the agency's mission success, and the acquisition strategy provides for maximum practicable participation by small business concerns.

James F. Geurts

18 Dec 18
Date

Attachment 3

Air Force - FA701419DA005

1 NOV 2018

DETERMINATION AND FINDINGS

BUNDLING

Air Force National Capital Region Information Technology Services (Solicitation Notice FA7014-19-R-0002)

Pursuant to FAR 7.107-3(a) the agency shall make a written determination that the bundling is necessary and justified in accordance with 15 U.S.C. 657q. In accordance with FAR 7.107-3(f)(2), the approving authority, without power of delegation, is the Senior Procurement Executive. As the Senior Procurement Executive, after careful consideration of the facts and circumstances, to include consideration of the Contracting Officer's bundling analysis (signed on 26 October 2018) incorporated herein by reference, I make the following determination and findings.

FINDINGS

1. The proposed acquisition strategy Air Force National Capital Region Information Technology Services (AFNCR ITS) includes combining two or more requirements for services, previously performed under separate smaller contracts, into a solicitation for a single contract that is likely to be unsuitable for award to a small business concern due to

    a. The variety of expertise and knowledge required for successful performance of asset management, cybersecurity, helpdesk support, technical support, configuration management of highly specialized military systems is so diverse and specialized that no small business is capable of performing the full requirement.

    b. The anticipated contract award value is $566M for a five year ordering period. The North American Industry Classification System (NAICS) code for this acquisition is 541513, Computer Facilities Management Services, with a small business revenue standard of $27.5 Million.

2. Successful performance of the AFNCR-ITS requirement is vital to national security. If AFNCR-IT systems were to fail or be disrupted, multiple critical military mission that cannot fail would lack the necessary support.

3. The acquisition team conducted market research. While conducting market research the Government exchanged information with 12 small and 24 large businesses. Only seven large business vendors were deemed capable of meeting AFNCR ITS requirements. Although no small businesses were assessed as capable of fulfilling the complete requirement, several were interested in performing as subcontractors or under a teaming arrangement with a large business.

4. Bundling AFNCR ITS into a single contract is critical to the agency's mission success and vital to our national security. Specifically, end-to-end management of the AFNCR ITS enterprise will enable unity of effort for cybersecurity and sustainment measures, establish

clear lines of responsibility and accountability, allow a standard approach to quality control, eliminate the need for the Government to serve as an integrator between two contractors, and align performance metrics and incentives across the entire effort resulting in streamlined problem identification and resolution. Alternatives were considered, including the status quo of performance under two contracts, awarding a single contract to a small business, breaking out different aspects of the overall bundle into several more contracts, and the use of a multiple-award task order contract with partial small business set-aside or reserves for small businesses. Bundling all functions supporting the computer and cybersecurity needs of AFNCR customers and the protection of their communication is necessary to mitigate risks to national security.

5. The acquisition strategy provides for maximum practicable participation by small business concerns by incorporating a 35% small business subcontracting requirement of the total contract.

DETERMINATION

Based upon the findings above and those in the Contracting Officer's bundling analysis, I hereby determine the expected benefits do not meet the thresholds for a substantial benefit but are critical to the agency's mission success and the acquisition strategy provides for maximum practicable participation by small business concerns. Therefore, substantial bundling is necessary and justified.

William B. Roper, Jr.
Assistant Secretary of the Air Force
(Acquisition, Technology & Logistics)

Attachment 4

DLA - SPE4AX19D9400

1) Contract value and small businesses impacted.

PIID	Contracting Agency	Total Bundled Dollars (10.5-Year Estimated Value)
SPE4AX19D9400	Defense Logistics Agency	$390M

The requirement impacts 126 small business concerns across 17 North American Industry Classification System (NAICS) codes. Some of the affected small businesses have provided items under multiple NAICS codes and are reflected in the table below more than once, which is why the sum is more than 126. The table below shows the individual NAICS codes and the number of small businesses that may be impacted.

NAICS	Number of SB Contractors
326130	5
326220	5
331420	2
332119	7
332510	13
332613	1
332618	3
332722	37
332919	7
332991	10
333613	7
335311	2
336310	1
336320	2
336412	64
336413	1
339991	8

2) Justification.

Measurably substantial benefits justify the bundling, as well as improved material availability, reduction in acquisition lead times, and improved T64 engine readiness. Quantifiable benefits are expected to exceed the threshold in FAR 7.107-3(d)(2). Benefits include anticipated lower overall material prices associated with aligning the entire Department of Defense (DoD) supply chain requirements under the engine's original equipment manufacturer (OEM) to leverage the OEM's supply chain, expertise, and manufacturing economies of scale. Additionally, it is anticipated that the bundling will lower administrative costs as DLA transitions from multiple contracts to a single, long-term contract.

A comprehensive market research effort to identify potential sources was performed including a Sources Sought notice published to the Government-Wide Point of Entry. Alternative strategies to bundling were considered including maintaining the status quo, but the alternatives were availability.

The expected benefits from the bundling of this requirement are measurably substantial.

3) Savings realized or estimated.

DLA expects to derive measurably substantial benefits, in the form of cost savings, of greater than 5% of the estimated contract value, as compared to contracting to fulfill requirements without bundling. The estimated savings for the base contract period is $20.5 million and $74 million over the life of the contract. The data for the first full performance period will not be available until the conclusion of the 5.5-year base period, which ends on May 30, 2025.

4) Continued savings.

Maintaining the bundled status of this contract requirement is projected to reduce costs by at least $20.5 million over the base period and $74 million over the life of the award. Contract performance began on June 1, 2019 and the first full performance period will end at the end of the base period, which will be May 30, 2025. Prior to exercising the option, actual savings will be calculated for the first performance period.

5) Small business subcontracting.

To ensure the small business community retains or grows its share of T64 consumable material support, contract-specific small business subcontracting incentives and disincentives were developed. The contractor is disincentivized if the contract small business metric drops below 32% and incentivized if the metric is above 44%. Additionally, the contractor has a DoD comprehensive small business subcontracting plan, which includes a 34% goal. At the end of the first full year of the contract (Dec 2019), the contractor reported a small business metric of 61.2%. At the end of the second full year of the contract (Dec 2020), the contractor reported a small business metric of 56.6%.

6) Small business impact.

There is marginal impact on small business concerns unable to compete as prime contractors for the bundled requirements. Prior small business history over the previous 3 years resulted in a total spend of $10.8M, or $3.6 annually. As a result, the estimated small business impact over a total 10.5-year contract period would be $36M. Due to the complexity of the bundled requirements, small business contractors did not have the expertise or capability to perform as prime contractors. However, through a collaborative effort that included subject matter experts and industry, DLA has taken the actions described in 5), above, to promote small business participation as subcontractors and suppliers. The current contract estimates that small business spend will be at least $125M ($390M x 32%) based on the small business subcontracting metric in place for this contract.

General Electric (GE), the prime contractor, has an existing supply chain, including small businesses for many of the items in the bundled requirement. DLA anticipates that many of the previous small business prime contractors are or will become supply partners to GE. Twenty-seven of DLA's prior small business suppliers for the requirement are already active and approved in GE's Business System.

Attachment 5

DLA - SPE4AX20D9002

1) Contract value and small businesses impacted.

PIID	Contracting Agency	Total Bundled Dollars (10.5-Year Estimated Value)
SPE4AX20D9002	Defense Logistics Agency	$330M

The requirement impacts 152 small business concerns across 21 North American Industry Classification System (NAICS) codes. Those NAICS are shown in the table below. Some of the affected small businesses have provided items under multiple NAICS codes and are reflected in the table below more than once, which is why the sum is more than 152. The table below shows the individual NAICS codes and the number of small businesses that may be impacted.

NAICS	# of SBs
326130	3
326220	4
331420	3
332119	3
332510	8
332613	2
332618	4
332722	30
332919	15
332991	29
333613	1
333618	4
333911	2
334412	1
335110	1
335311	17
335313	1
336310	1
336412	110
336413	5
339991	5

2) Justification.

Measurably substantial benefits justify the bundling, as well as improved material availability, reduction in acquisition lead times, and improved TF34 engine readiness. Quantifiable benefits are expected to exceed the threshold in FAR 7.107-3(d)(2). Benefits include anticipated lower overall material prices associated with aligning the entire Department of Defense (DoD) supply chain requirements under the engine's original equipment manufacturer (OEM) to leverage the OEM's supply chain, expertise, and manufacturing economies of scale. Additionally, it is anticipated that the bundling of this requirement will lower administrative costs as DLA transitions from multiple contracts to a single, long-term contract.

A comprehensive market research effort to identify potential sources was performed including a Sources Sought notice published to the Government-Wide Point of Entry. Alternative strategies to bundling were considered including maintaining the status quo, but the alternatives were determined ineffective to satisfy the requirement and would not improve overall material availability.

The expected benefits from the bundling of this requirement are measurably substantial.

3) Savings realized or estimated.

DLA expects to derive measurably substantial benefits, in the form of cost savings, of greater than 5% of the estimated contract value, as compared to contracting to fulfill requirements without bundling. The estimated savings for the base contract period is $12.25 million and $56 million for the total contract period. The data for the first full performance period will not be available until the conclusion of the 5.5-year base period, which ends on September 30, 2025.

4) Continued savings.

Maintaining the bundled status of this contract requirement is projected to reduce costs by at least $12.25 million over the base period and $56 million over the life of the award. The first performance period began on April 13, 2020 and will end on September 30, 2025. Prior to exercising the option, actual savings will be calculated for the first performance period.

5) Small business subcontracting.

To ensure the small business community retains or grows its share of TF34 consumable material support, contract-specific small business subcontracting incentives and disincentives were developed. The contractor is disincentivized if the contract small business metric drops below 36% and incentivized if the metric is above 66%. In accordance with the terms of the contract, the contractor's small business metric will be calculated at the end of the first performance period. Additionally, the contractor has a DoD comprehensive small business subcontracting plan, which includes a 34% goal.

6) Small business subcontracting.

There is marginal impact on small business concerns unable to compete as prime contractors for the bundled requirements. Prior small business history over the previous 3 years resulted in a total spend of $13M, or $4.3M annually. As a result, the estimated small business impact over a total 10.5-year contract period is $43.3M. The current contract estimates that small business spend will be at least $119M ($330M x 36%) due to the small business subcontracting metric in place for this contract.

Due to the complexity of the bundled requirements, small businesses do not have the expertise or capability to perform as prime contractors for this effort. However, through a collaborative effort that included subject matter experts and industry, DLA has taken the actions described in 5), above, to promote small business participation as subcontractors and suppliers. While DLA has previously partnered with several small businesses, General Electric (GE) has an existing supply chain, including small businesses for most of the items in the bundled requirement. DLA anticipates that many previous small business prime contractors are already or will become supply partners to GE.

Attachment 6

DLA - SPE4AX20D9445

1) Contract value and small businesses impacted.

PIID	Contracting Agency	Total Bundled Dollars (10 Year Estimated Value)
SPE4AX20D9445	Defense Logistics Agency	$1.147B

The requirement impacts 330 small business concerns across 40 North American Industry Classification System (NAICS) codes. Some of the affected small businesses have provided items under multiple NAICS codes and are reflected in the table below more than once, which is why the sum is more than 330. The table shows the individual NAICS codes and the number of small businesses that may be impacted.

NAICS	Number of SB Contractors	NAICS	Number of SB Contractors
314910	3	333923	1
325199	1	333992	4
326130	5	334290	1
326220	7	334416	1
326299	1	334417	3
331420	8	334513	1
332119	26	334514	3
332510	33	334519	5
332613	3	335311	10
332618	19	335312	2
332710	5	335313	1
332722	83	335314	4
332919	18	335929	2
332991	19	335931	3
332994	3	335932	1
333515	2	336310	20
333612	2	336320	9
333613	14	336412	143
333618	2	336413	69
333911	4	339991	18

2) Justification.

Measurably substantial benefits justify the bundling, as well as improved material availability, reduction in acquisition lead times, and improved J85 engine readiness. Quantifiable benefits are expected to exceed the threshold in FAR 7.107-3(d)(2). Benefits include anticipated lower overall material prices associated with aligning the entire Department of Defense (DoD) supply chain requirements under the engine's original equipment manufacturer (OEM) to leverage the OEM's supply chain, expertise, and manufacturing economies of scale. Additionally, it is anticipated that the bundling of this requirement will lower administrative costs as DLA transitions from multiple contracts to a single, long-term contract.

A comprehensive market research effort to identify potential sources was performed including a Sources Sought notice published to the Government-Wide Point of Entry. Alternative strategies to bundling were considered including maintaining the status quo, but the alternatives were determined ineffective to satisfy the requirement and would not improve overall material availability.

The expected benefits from the bundling of this requirement are measurably substantial.

3) Savings realized or estimated.

DLA expects to derive measurably substantial benefits, in the form of cost savings, of greater than 5% of the estimated contract value, as compared to contracting to fulfill requirements without bundling. The estimated savings for the base contract period is $144M and $355M over the life of the contract. The data for the first full performance period will not be available until the conclusion of the 5.5-year base period, which ends on November 30, 2025.

4) Continued savings.

Maintaining the bundled status of this contract requirement is projected to reduce costs by at least $144M over the base period and $355M over the life of the award. The first performance period began on June 1, 2020 and will end at the end of the base period, which will be November 30, 2025. Prior to exercising the option, actual savings will be calculated for the first performance period.

5) Small business subcontracting.

To ensure the small business community retains or grows its share of J85 consumable material support, contract-specific small business subcontracting incentives and disincentives were developed. The contractor is disincentivized if the contract small business metric drops below 36% and incentivized if the metric is above 66%. In accordance with the terms of the contract, the contractor’s small business metric will be calculated at the end of the first performance period. Additionally, the contractor has a FY20 DoD comprehensive small business subcontracting plan, which includes a 34.7% goal.

6) Small business impact.

There is marginal impact on small business concerns unable to compete as prime contractors for the bundled requirements. Prior small business history over the previous 3 years resulted in a total spend of $33M, or $11M annually. As a result, the estimated small business impact over a total 10-year contract period is $110M. The current contract estimates that small business spend will be at least $413M ($1.147B x 36%) due to the small business subcontracting metric in place for this contract.

Due to the complexity of the bundled requirements, small business contractors did not have the expertise or capability to perform as prime contractors. However, through a collaborative effort that included subject matter experts and industry, DLA has taken the actions described in 5), above, to promote small business participation as subcontractors and suppliers. While DLA has previously partnered with several small businesses, General Electric (GE) has an existing supply chain, including small businesses for most of the items in the bundled requirement. DLA anticipates that many of the previous small business prime contractors are already or will become supply partners to GE.

Attachment 7

DLA - SPRPA120D005U

1) Contract value and small businesses impacted.

PIID	Contracting Agency	Total Bundled Dollars (9 Year Estimated Value)
SPRPA120D005U	Defense Logistics Agency	$450M

The requirement impacted 186 small business concerns across 26 North American Industry Classification System (NAICS) codes for the individual items consolidated under the contract. Some of the affected small businesses have provided items under multiple NAICS and are reflected in the table below more than once, which is why the sum is more than 186. The table shows individual NAICS codes and the number of small businesses that may be impacted.

NAICS	Number of SB Contractors
336413	58
332991	35
336412	3
333612	13
333613	12
336390	56
314994	1
333911	1
333999	1
335991	2
326122	14
332911	6
332722	107
339991	12
336310	5
332510	16
332613	13
332119	30
334416	1
334419	2
335931	9
334413	1
335999	8
333318	1
334514	1
327213	2

2) Justification.

Measurably substantial benefits justify the bundling, as well as improved material availability, reduction in acquisition lead times, and improved readiness. Quantifiable benefits are expected to exceed the threshold in FAR 7.107-3(d)(2). Benefits include anticipated lower overall material prices associated with aligning the entire Department of Defense (DoD) supply chain requirements under the engine's original equipment manufacturer (OEM) to leverage the OEM's supply chain, expertise, and manufacturing economies of scale. Additionally, it is anticipated that the bundling of this requirement will lower administrative costs as DLA transitions from multiple contracts to a single, long-term contract.

A comprehensive market research effort to identify potential sources was performed including a Sources Sought notice published to the Government-Wide Point of Entry. Alternative strategies to bundling were considered including maintaining the status quo, but the alternatives were determined ineffective to satisfy the requirement and would not improve overall material availability.

The expected benefits from the bundling of this requirement are measurably substantial.

3) Savings realized or estimated.

DLA expects to derive measurably substantial benefits, in the form of cost savings, of at least 5% of the estimated contract value, as compared to contracting to fulfill requirements without bundling. The 9-year estimated value of the program is $450M and DLA expects to save at least $22.5M. However, DLA expects to see cost savings closer to 20%, or $90M over the course of the entire period of performance. The expected value of anticipated savings meets the threshold for measurably substantial benefits required to justify a bundling in accordance with FAR 7.107-3(d)(2).

4) Continued savings.

Maintaining the bundled status of this contract requirement is projected to reduce costs by at least $22.5 million over the life of the award. The first performance period began on 19 November 2019 and the contract has scheduled reconciliations after 24 months and 60 months of performance.

5) Small business subcontracting.

To ensure DLA's small business community retains or grows its share of AH-64/CH-47 consumable material support, contract-specific small business subcontracting incentives and disincentive were developed. The contractor is disincentivized if the contract small business metric drops below 95% of the baseline (Boeing proposed subcontracting goal of 24.76% for this effort) and incentivized if the metric is above 105% of the 24.76% baseline.

Incentives/disincentives are to first be assessed after 24 months of performance and again at 60 months.

6) Small business impact.

The expected dollar value, volume of responsibilities, and breadth of tasks included creates significant impediments to participation by small business concerns as prime contractors. Work involves a wide array of operations, maintenance, and sustainment tasks. Small business concerns generally do not possess the breadth of experience and knowledge required to perform the full scope of this requirement. However, through a collaborative effort that included subject matter experts and industry, DLA took the actions described in 5), above, to promote small business participation as subcontractors and suppliers.

The total number of National Stock Numbers (NSNs) for this requirement is approximately 1,301 which includes material currently being provided by Boeing directly to Corpus Christi Army Depot (CCAD). The three-year total dollar value of the historical DLA contracts awarded to support the AH-64/CH-47 Consumables Supply Chain includes a population of 603 NSNs valued at $27.9M, with approximately $10.44M going to small business, an average of $3.48M per year.

While DLA had previously partnered with 186 small businesses, Boeing has an existing supply chain, including small businesses for many of the items in the bundled requirement. DLA anticipates that many of the previous small business prime contractors are already or will become supply partners to Boeing.

Based on analysis of this effort, it is expected to have only a marginal impact on small businesses and is not expected to dramatically change overall small business participation in these industries.

Attachment 8

New | Save Draft | Validate | Approve | Correct | Modify | Save Tmplt | Delete | Print | Close Out | Help

Transaction Information

Award Type:	Delivery/Task Order	**Prepared Date:**	07/28/2020 21:17:00	**Prepared User:**	JUDY.E.STALLION.W912EQ@MVM02.USACE.ARMY.MIL
Award Status:	Final	**Last Modified Date:**	01/29/2021 08:21:25	**Last Modified User:**	MIKEBALLARD.W912EQ@USACE.GOV
Closed Status:	No	**Closed Status Date:**		**Closed By:**	

Document Information

	Agency	*Procurement Identifier*	*Modification No*	*Trans No*
Award ID:	9700	W912EQ20F0081	0	0
Referenced IDV ID:	9700	W912EQ20D0005	0	

Reason For Modification:

Solicitation ID: W912EQ20B0001

	Agency Identifier	*Main Account*	*Sub Account*	*Initiative*
Treasury Account Symbol:				Select One

Dates		**Amounts**	
Date Signed *(mm/dd/yyyy)* :	07/29/2020	**Action Obligation:**	$2,348,400.00
Period of Performance Start Date *(mm/dd/yyyy)* :	07/29/2020	**Base And Exercised Options Value:**	$2,348,400.00
Completion Date *(mm/dd/yyyy)* :	10/08/2020	**Base and All Options Value (Total Contract Value):**	$2,348,400.00
Est. Ultimate Completion Date *(mm/dd/yyyy)* :	10/08/2020	**Fee Paid for Use of IDV:**	$0.00
Solicitation Date *(mm/dd/yyyy)* :	03/06/2020		

Purchaser Information

Contracting Office Agency ID:	2100	**Contracting Office Agency Name:**	DEPT OF THE ARMY
Contracting Office ID:	W912EQ	**Contracting Office Name:**	W07V ENDIST MEMPHIS
Funding Agency ID:	96CE	**Funding Agency Name:**	U.S. ARMY CORPS OF ENGINEERS - CIV
Funding Office ID:	966501	**Funding Office Name:**	
Foreign Funding:	Not Applicable		

Contractor Information

SAM Exception: Remove Exception

DUNS No:	008839821	**Street:**	920 CENTRAL AVE STE 10
Vendor Name:	MIDWEST CONSTRUCTION COMPAN	**Street2:**	
DBAN:		**City:**	NEBRASKA CITY
Cage Code:	0C704	**State:**	NE **Zip:** 684102335
		Country:	UNITED STATES
		Phone:	(402) 873-6638
		Fax No:	(402) 873-3803
		Congressional District:	NEBRASKA 01

Business Category Show Details

Organization Type:	CORPORATE NOT TA)
State of Incorporation:	NE
Country of Incorporation:	USA

Business Types
- ✓ Corporate Entity, Not Tax Exempt

Socio Economic Data
- ✓ Woman Owned Business
- ✓ Women-Owned Small Business

Relationship With Federal Government
- ✓ All Awards

Organization Factors
- ✓ For Profit Organization
- ✓ Subchapter S Corporation

Contract Data

Type of Contract:	Firm Fixed Price
Inherently Governmental Functions:	Other Functions
Multiyear Contract:	No
Major Program:	
National Interest Action:	None
Cost Or Pricing Data:	

	No
Purchase Card Used As Payment Method:	No
Undefinitized Action:	No
Performance Based Service Acquisition: ** FY 2004 and prior; 80% or more specified as performance requirement* ** FY 2005 and later; 50% or more specified as performance requirement*	No - Service where PBA is not used.
Emergency Acquisition:	Not Applicable
Contract Financing:	Percentage of Completion Progress Payments
Cost Accounting Standards Clause:	Select One
Consolidated Contract:	Consolidated Requirements with Written Determination
Number Of Actions:	1

Legislative Mandates

Clinger-Cohen Act:	No
Labor Standards:	No
Materials, Supplies, Articles, and Equip:	No
Construction Wage Rate Requirements:	Yes
Additional Reporting:	Select One or More Options Employment Eligibility Verification (52.222-54) Service Contract Inventory (FAR 4.17) None of the Above
Interagency Contracting Authority:	Not Applicable

Other Interagency Contracting Statutory Authority:
(1000 characters)

Principal Place of Performance

	State	Location	Country
Principal Place Of Performance Code:	TN		USA

Principal Place Of Performance County Name:	SHELBY
Principal Place Of Performance City Name:	MEMPHIS
Congressional District Place Of Performance:	09
Place Of Performance Zip Code(+4):	37501 - 0581 USPS ZIP Codes

Product Or Service Information

Product/Service Code:	Z1QA	**Description:**	MAINTENANCE OF RESTORATION OF REAL PROI
Principal NAICS Code:	237990	**Description:**	OTHER HEAVY AND CIVIL ENGINEERING CONSTI
Bundled Contract:	Not Bundled		
DOD Acquisition Program:	000	**Description:**	NONE
Country of Product or Service Origin:	USA	UNITED STATES	
Place of Manufacture:	Not a manufactured end product		
Domestic or Foreign Entity:	U.S. Owned Business		
Recovered Materials/Sustainability:	No Clauses Included and No Sustainability Included	OMB Policy on Sustainable Acquisition	
InfoTech Commercial Item Category:	Not IT Products or Services		
Claimant Program Code:	C2	**Description:**	CONSTRUCTION
Sea Transportation:	No		
GFP Provided Under This Action:	Transaction does not use GFP		
Use Of EPA Designated Products:	Not Required		
Description Of Requirement: ***(Limit 250 characters)*** **Current: 14**	GRADED STONE C		

Competition Information

Extent Competed For Referenced IDV:	
Extent Competed:	Full and Open Competition after exclusion of sources
Source Selection Process:	Select One
Solicitation Procedures:	Sealed Bid
IDV Type Of Set Aside:	Small Business Set Aside - Total
Type Of Set Aside:	Select One
Type Of Set Aside Source:	IDC
Evaluated Preference:	No Preference used
SBIR/STTR:	Select One
Fair Opportunity/Limited Sources:	Select One
Other Than Full And Open Competition:	Select One

Local Area Set Aside:	No
FedBizOpps:	Yes
A76 Action:	No
Commercial Item Acquisition Procedures:	Commercial Item Procedures not used
IDV Number of Offers:	6
Number Of Offers Received:	**Number of Offers Source:** IDC
Small Business Competitiveness Demonstration Program:	
Simplified Procedures for Certain Commercial Items:	No

Preference Programs / Other Data

Contracting Officer's Business Size Selection:	Small Business
Subcontract Plan:	Plan Not Required
Price Evaluation Percent Difference:	%

ENCLOSURE 2 - DEPARTMENT OF INTERIOR (DOI)

United States Department of the Interior

INTERIOR BUSINESS CENTER
Washington, DC 20240

CONSOLIDATION / SUBSTANTIAL BUNDLING DETERMINATION AND FINDINGS

Project Names: Enterprise Infrastructure Solutions Telephony and Conferencing Services
Purchase Request Number: N/A
Solicitation Number: 140D0419R0028
Bureau and Contracting Activity: Office of the Chief Information Officer (OCIO) and the Acquisition Services Directorate (AQD), Interior Business Center (IBC)

In accordance with Federal Acquisition Regulation (FAR) 7.107-2, 7.107-3, 7.107-4, and DOI AAP-0094, consolidation and substantial bundling of requirements under the Department of the Interior (DOI) Enterprise Infrastructure Solutions (EIS) Telephony and Conferencing Services (TCS) solicitation is necessary and justified. In addition, the requirements at FAR 7.107-4(a) have been met to justify substantial bundling.

Findings

I. Description of the Procurement Action:

DOI currently procures a significant volume of voice and voice-related telecommunications services through the General Services Administration's (GSA's) various Government-wide Acquisition Contracts (GWAC) including: Networx Enterprise, Networx Universal, Washington Interagency Telecommunications System Three (WITS 3), and numerous Regional Local Service Agreements (LSA), and other commercial contract vehicles. The Department has services located in rural areas, which are hard to reach with modern services. In some cases, end point devices such as sensors, rely on the services provided by Plain Old Telephone System (POTS) circuits. The acquisition of these services has been historically a de-centralized function among all DOI Bureaus and Offices.

DOI requires comprehensive telecommunications and information technology support for TCS to approximately 2,400 sites spread across the Contiguous United States (CONUS), Alaska, Hawaii and other U.S. Territories. The specific services to be provided are focused in the following areas:

1. Circuit Switched Voice Service
2. Toll Free Service
3. Audio Conferencing Service
4. Video Teleconferencing Service
5. Web Conferencing Service
6. Circuit Switched Data Service
7. Access Arrangements
8. Cable and Wiring
9. Service Related Equipment
10. Service Related Labor
11. National Security and Emergency Preparedness

Type of Contract
DOI anticipates awarding one combination Time and Materials (T&M)/Labor-Hour (LH) task order under GSA's EIS GWAC. A T&M/LH Determination and Findings (D&F) has been approved and is located in the pre-award file.

Estimated Total Value/Period of Performance
The total estimated ceiling value of this requirement is $160 million over 12 years. The period of performance includes a one-year base period and 11 one-year option periods.

Scope of the Requirement
This requirement will provide comprehensive telecommunications and information technology services data services and integrated voice and conference services to approximately 2,400 sites spread across CONUS, Alaska, Hawaii, and U.S. Territories. These services will be consolidated across all of the following DOI Bureaus and Offices:

- Bureau of Indian Affairs (BIA)
- Bureau of Indian Education (BIE)
- Bureau of Land Management (BLM)
- Bureau of Ocean Energy Management (BOEM)
- Bureau of Reclamation (BOR)
- Bureau of Safety and Environmental Enforcement (BSEE)
- National Park Service (NPS)
- National Indian Gaming Commission (NIGC)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)
- Office of the Secretary (OS)
- Office of Policy, Management & Budget (PMB)
- Office of Insular Affairs (OIA)
- Office of the Solicitor (SOL)
- Office of the Inspector General (OIG)
- Office of the Chief Information Officer (OCIO)
- Office of the Special Trustee for American Indians (OST)
- Other Department of Interior Offices

The NAICS Code is 517110 – Wired Telecommunications Carrier, with a size standard of 1,500 employees.

Agency and Government-wide Objectives
GSA consolidated several of its GWACs including Networx Enterprise, Networx Universal, WITS3, and LSAs with the award of their EIS GWAC. These contracts provide managed network services, managed security services, data communications services, voice

communications services, cable and wiring, equipment, and labor with the objective of delivering state-of-the-art services with competitive pricing to meet the communications requirements of Federal Government agencies.

DOI's objective is to modernize its telecommunications infrastructure by awarding a task order for TCS. The task order will be the catalyst for the Department's other objectives to centralize the TCS management and ordering processes, and transition work over the next 12 years from TCS to Internet Protocol Voice Services (IPVS) using the DOI Data Services task order.

DOI Acquisition Objectives

DOI's acquisition objectives for this requirement includes leveraging the economies of scale and streamlined acquisition features associated with use of the GSA EIS GWAC. In addition, DOI intends to award competitively priced, state-of-the-art voice communications services; achieve a significant reduction in administrative burden and costs associated with both acquisition and technical activities compared to awarding its own enterprise level contract; and provide an integrated solution across the Department that results in optimizing performance and utilization of latest technologies, which will help achieve DOI's strategic mission and goals.

Office of Management and Budget (OMB) Guidance (Best-in-Class)

OMB Memorandum M-17-22, dated April 12, 2017, directed agencies to streamline mission support functions, leverage lines of business or shared IT infrastructures, and consider government-wide contracts for common goods and services. OMB Memorandum, M-17-26, issued on June 15, 2017, reinforced the objectives of the previous memorandum. Consolidating DOI's Data and TCS requirements under the EIS initiative fulfills all of these goals. On July 19, 2017, OMB designated the GSA EIS GWAC as "Best-in-Class."

DOI Guidance (Mandatory Use)

In response to OMB's guidance and GSA's decision to consolidate Government-wide IT requirements under GSA's EIS GWAC, on August 19, 2018 DOI's Chief Information Officer and the Senior Procurement Executive issued a memorandum stating the GSA EIS GWAC is mandatory for areas covered by the contract terms and conditions. The memorandum further stated that the Department shall utilize the EIS contract as the primary vehicle for procuring all Data Services. Those services procured under the Networx contract must transition to the EIS contract no later than May 2020. A similar memorandum is being prepared making use of the EIS mandatory for all of DOI for the TCS requirement.

Potential Effect on Small Business and Socio-Economic Concerns

The GSA EIS GWAC consists of nine telecommunication businesses as prime contract holders. These businesses are largely capable of providing commercially delivered TCS services to all of DOI's offices and facilities. The majority of the supplies and services required are commercially available and can be provided by the EIS contract holders, which consist of six large and three small businesses.

The transition to GSA's EIS GWACs from GSA's Networx Enterprise, Networx Universal, WITS3, and LSAs impacts DOI as it relates to small businesses under the TCS requirement. As such, the following seven small businesses, who represent 1.8% of all the TCS expenses, will no longer be eligible for direct award under GSA's LSA program:

- Consolidated Communications, Inc.
- Professional Technologies Group, Inc.
- Quantum Technology Group, Inc.
- Tanager Telecommunications
- TCS of America
- Telecommunication Solutions Group, Inc.
- Turtle Mountain Communications

II. Results of Market Research

GSA Market Research
GSA performed research prior to the award of the EIS GWAC to assess whether any small businesses were impacted:

GSA found 1,942 businesses that met the Small Business Administration (SBA) small business criteria of 1,500 or fewer employees for NAICS code 517110. A search of the FCC database for telecommunication carriers identified 2,490 businesses of all sizes. Comparing the two sets of results narrowed the list of qualified small businesses to 200. These 200 businesses were further researched via interviews and web searches to identify those businesses with the infrastructure and footprint to potentially offer on EIS. As a result of this research GSA identified six small businesses as potential prime offerors. However, further review indicated that none of the six were capable of meeting the minimum EIS requirements.

For the regional telecommunication contracts, GSA managed LSAs for local telecommunications services in the 11 GSA Regions that cover the U.S., Alaska, Hawaii, Puerto Rico, and various territories for TCS. Those consisted of 86 LSA contract holders in FY14, 13 were small businesses, which accounted for less than 1.5% of the total business volume. By comparison, small businesses on both Networx Enterprise and Networx Universal accounted for 6.2% of its total business volume. In Region 11 — the National Capital Region, which accounted for approximately 50% of all Regional business volume — there were no small business prime contractors.

DOI Market Research
DOI's TCS requirement encompasses 14 task area services that are necessary to provide comprehensive service to the 2,400 DOI sites. However, GSA's EIS contractors were not all awarded similar services or even the same Core Based Statistical Areas (geographic location). As such, not all contractors can perform in all areas.

DOI's market research resulted in a Market Research Report, approved on June 14, 2019, and concluded that DOI can meet its TCS requirements through the GSA EIS GWACs. The GSA EIS GWACs will provide competition among all nine contract holders, pursuant to the GSA EIS Fair Opportunity and Ordering Guide (based on FAR Part 16.505). Small business entities are represented as primes on the EIS contract or as subcontractors to the large business size contract holders. All applicable documentation will be developed and approved at the appropriate levels to satisfy all DOI policies and procedures related to this procurement.

In addition, AQD performed research to assess the impact on small businesses supporting DOI through the LSAs as a result of GSAs EIS GWACs. The current Networx Enterprise, Networx Universal, and WITS contracts do not have small business prime contractors and were therefore excluded from this assessment.

Data was gathered using GSA's Transition Coordination Center's (TCC) All Agency Inventory (AAI) Report 34 - Spend by Contract by Contractor. The data was then filtered down to only the vendors currently providing service to DOI through GSA's Full Service (local phone service) program. The remaining data was then filtered to remove known "Other than Small Businesses" currently providing full service (i.e. AT&T, Verizon, CenturyLink). The remaining vendors were then matched against SBA's database and the government's System for Award Management (SAM) database to determine small business size status. The results of that research are as follows:

- DOI currently uses an average of 13 LSAs with small businesses.
  - As a result of EIS, eight small businesses will no longer be eligible for award as a prime contractor under GSAs full service LSA program: Consolidated Communications, Inc., Core Technologies, Professional Technologies Group, Inc., Quantum Technologies Group, Tanager Telecommunications, TCS of America, Telecommunication Solutions Group. Inc., and Turtle Mountain Communications.

- Three small businesses have been awarded prime contracts under GSA's EIS IDIQ GWAC:
  - Micro Technologies LLC., MetTel (Manhattan Telecommunications Corporation), and Core Technologies

- Two apparent small businesses were left undetermined as they appear to no longer be doing business under the name appearing in GSA's usage reports for DOI. Those businesses are:
  - ANMS and Inland Networks

Only four contractors (AT&T, CenturyLink, Core Technologies, and Verizon) provide all of the TCS services required under GSA's EIS GWAC. Of those contractors, Core Technologies is a qualified and capable small business for this requirement. The remaining large contractors may be able to support this requirement, but not without additional subcontractors or support, as they do not currently meet all required task areas.

III. Substantial Bundling Requirements (FAR 7.107-4(b))

(1) Specific Benefits anticipated to be derived from substantial bundling:
DOI EIS Overall Savings
The consolidation analysis performed by GSA in 2015 found that the combined savings for the federal government from price reductions and lower administrative costs are $17.1 billion.

DOI will also realize substantial cost savings. Over the next 13 years, DOI anticipates saving nearly $140 million as detailed below.

EIS Projected Cost Savings	
	Projected Period of Performance / Spend Over 156 Months
DOI Current Spend	$886,894,632
DOI Data Independent Government Estimate (IGE)	-$586,591,720
DOI TCS IGE	-$160,000,000
Projected Cost Savings	$140,302,912

Figure 1

The projected savings were calculated as follows:

Data Services & TCS Projected Costs Savings
The following steps were taken to analyze the projected costs savings:

a) The figures for the Data and TCS IGEs in the table above were derived using the pricing available to the agencies using the GSA pricing tool under the EIS contract.
b) For the Data and TCS requirements, all optional pricing was removed, leaving only the "Will Buy" costs. This is necessary to show a representative comparison with the current telecommunication expenses incurred by the Department. The EIS GWAC only have pricing for the first five years, after which prices will be negotiated through a form of Economic Price Adjustment. Therefore, the annual Data and TCS IGEs were divided by twelve months to obtain the monthly average, then multiplied out using the period of performance of 156 months.

DOI Telecommunications Expenses
The following steps were taken to calculate DOI's telecommunication expenses as outlined in figure 1 above:

a) June 2019 was used as a representative month based on number of days in the month and time of year for telecommunications expenses.
b) The contract specialist reviewed the Networx Enterprise and Networx Universal billing reports from GSA's "E-Morris" and TOPS (LSAs and WITS billing reports)

from GSA as sources for Data Services and TCS expenses.

The June 2019 Networx, LSAs, and WITS bills were then multiplied by 156 months. That period of performance is longer than the TCS requirement, but approximately equal to the Data Services requirement.

(2) An assessment of the specific impediments to participation by small business concerns as contractors that result from substantial bundling:
As a result of the OMB memorandums and extensive GSA and DOI market research regarding DOI's TCS requirements, DOI concludes that the TCS requirements cannot be set-aside for small businesses. In summary:

a) There are only 3 small business EIS contractors, of which only one can provide all services.
b) Of the 3 small businesses, two cannot provide more than 70% of the access and voice transport services.
c) The GSA EIS GWAC requires all contractors to be provided a fair opportunity.

(3) Actions designed to maximize small business participation as contractors, including provisions that encourage small business teaming:
The solicitation for TCS under GSA's EIS GWAC will be issued as a fair opportunity to all nine businesses, of which three are considered small. However, there are opportunities for businesses to create teaming arrangements with other small businesses or enter into subcontract arrangements with other firms to fulfill all the requirements of the TCS solicitation.

(4) Actions designed to maximize small business participation as subcontractors (including suppliers) at any tier under the contract, or order, that may be awarded to meet the requirements:
Building on the success of Networx Enterprise and Networx Universal, GSA implemented the same or higher subcontracting goals on the EIS GWAC as those for both Networx contracts:

GSA Networx Enterprise and Networx Universal
Small Business Goals

CATEGORY	GOALS
Total Small Business	**37.00%**
Small Disadvantaged Business	6.00%
Woman-owned	5.00%
HUBZone	3.00%
Service-disabled Veteran-owned	3.00%

Figure 2

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Therefore, the "other than small business" contractors will be required to attempt to achieve a small business goal of 37%. Based on the scale of DOI's requirements and market research performed none of the EIS contractors are the incumbent service providers for all 2,400 location. Therefore, it will be necessary for the awardee to subcontract with and/or purchase services/suppliers from local telecommunication providers to meet, in many locations, the "last mile of service."

(5) The determination that the anticipated benefits of the proposed bundled contract or order justify its use:
The TCS requirement not only meets the FAR definition of "bundling", but also the FAR definition of "substantial bundling." Specifically, small businesses that may be impacted were identified, which accounted for only 1.85% of current TCS expenditures. In addition to identifying the small business, the acquisition strategy's use of the GSA's EIS GWAC demonstrated a 15.8% savings over the current DOI telecommunication expenses. Therefore, DOI considers substantial bundling necessary and justified based on the facts provided in this document.

(6) Alternative strategies that would reduce or minimize the scope of the bundling, and the rationale for not choosing those alternatives:
DOI considered the alternative of issuing multiple task orders instead of only one TCS order for these services. Though this approach would provide opportunities to other businesses, DOI determined that this disparate approach would bring too much risk to the program by endangering continuity and timeliness. A significant amount of coordination is required to facilitate the services throughout the 2,400 different locations requiring these services. Increasing the number of vendors needing to coordinate with one another to upgrade services would inevitably lead to schedule delays and potential disruption to DOI's TCS networks. Whereas, a single vendor affords a more streamlined and seamless ability to coordinate overlapping activities.

That risk is further exacerbated by the fact that DOI is required to complete the transition by 2023. The expiration of the cadre of GSA contracts currently providing these services is already being extended from 2020 to 2023 to allow additional time for agencies to implement their solutions. Adding further risk to achieving this critical goal is not acceptable. Consequently, DOI's strategy to only award one task order to provide TCS is the most risk adverse approach available.

IV. Any negative impact by the acquisition strategy on contracting with small business concerns has been identified:

DOI's TCS requirement will impact small businesses currently providing support under the GSA LSAs, as outlined in the table below. In order to determine the impact on those small businesses DOI utilized GSAs "Small Business Monthly Recurring Charges (MRC) on GSA LSAs," and extracted average monthly MRC by LSA contractor from GSA's AAI Report 34 for June 2019. GSA's "AAI Report 34" "DOI Spend Contract Contractor-Service" totals MRCs. The most recent and verified MRCs for June 2019 were used as exemplars for the expenses incurred by DOI for small business telecommunications. Since these charges are recurring and monthly, they were multiplied by 12 to arrive at an estimated yearly impact of only $112,644, which is 1.85% of total TCS expenditures.

Small Business MRC

Small Businesses	12 Month MRC Average - June '19	Total Annual Based on Ave. MRC
CONSOLIDATED COMMUNICATIONS INC	$418	$5,016
PROFESSIONAL TECHNOLOGIES GROUP INC	$704	$8,448
QUANTUM TECHNOLOGY GROUP	$1,570	$18,840
TANAGER TELECOMMUNICATIONS	$4,163	$49,956
TCS OF AMERICA	$2,437	$29,244
TELECOMMUNICATION SOLUTIONS GROUP INC	$4	$48
TURTLE MOUNTAIN COMMUNICATIONS	$91	$1,092
Total	**$9,387**	**$112,644**

Therefore, the total impact of TCS to small business is 1.85% of total TCS expenditures.

V. Considerations, Facts, and Reasoning Supporting the Determination:

DOI requires a practical, executable path forward to consolidate and modernize the Department's TCS services under a "One DOI" umbrella, with special emphasis on transition of services previously procured through GSA to the new GSA EIS program prior to the expiration of its predecessor programs. DOI plans to conduct a 'like for like' transition in order to quickly move from services procured through Networx Enterprise, Networx Universal, and WITS to EIS services. Then, as Bureaus and Offices become ready to modernize, they will procure Internet Protocol (IP) based Voice Services (IPVS) through the DOI Data Services task order.

The GSA EIS GWACs provide an opportunity for DOI to centralize the management of its TCS requirements for the future. This process will take several years as DOI moves from a de-centralized model of technology-use and procurement, to building new business processes for budgeting, funds collection, scope review and approval, procurement, invoice review and payment, and funds management. The consolidation and substantial bundling of these services will push DOI into a more stable telecommunications environment while saving millions of dollars over the next 12 years.

IV. Determination

Based on the review of the existing contracts, market research conducted, consideration of business efficiencies and cost savings contemplated, the Senior Procurement Executive has determined that including flexibility to consolidate and bundle the services listed above, which are also considered substantial bundling, in the resulting task order for the EIS TCS requirement is in the best interests of the Government. This determination is made in conjunction with consultation by the program office, peer Contracting Officers, and the Small Business Specialist.

CONTRACTING OFFICER CERTIFICATION:

All supporting data provided and the contents of this justification are complete and accurate to the best of my knowledge and belief.

JOSEPH FUSARI Digitally signed by JOSEPH FUSARI
Date: 2019.09.11 14:51:51 -04'00'

Joseph Fusari
Contracting Officer

Date

HEADQUARTERS SMALL BUSINESS SPECIALIST CERTIFICATION:

NAUMAN ANSARI Digitally signed by NAUMAN ANSARI
Date: 2019.09.12 07:51:03 -04'00'

Nauman Ansari
Headquarters Small Business Specialist

Date

DIRECTOR, OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION CERTIFICATION:

Exercising the authority of

Director, Office of Small and Disadvantaged Business Utilization

10/17/19
Date

SENIOR PROCUREMENT EXECUTIVE

Upon the basis of the findings above, I hereby determine, pursuant to the authority of FAR 7.107-2, 7.107-3 and 7.107-4, that the consolidation and substantial bundling of contract requirements is both necessary and justified.

Megan Olsen
Senior Procurement Executive

10/17/19
Date

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ENCLOSURE 3 - GENERAL SERVICES ADMINISTRATION (GSA)

U.S. General Services Administration
Fiscal Year 2020 Contract Bundling Report

In accordance with Section 15(p)(4) of the Small Business Act – Annual Report on Contract Bundling, the General Services Administration (GSA) provides the following summary of information for fiscal year 2020 (FY20):

In FY2020, GSA awarded two (2) bundled contracts. The first bundled contract is PIID 47QFCA20F0015, Consular Affairs Enterprise Infrastructure Operations (CAEIO) on behalf of the Department of State with a total contract award amount of $810,580,971.00. The second bundled contract is PIID 47QFCA20F0028, Army Rapid Equipping Force (REF) on behalf of the U.S. Army with a total contract award amount of $243,768,054.00.

(i) data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by Federal agencies; and

In total, there were seven (7) small business concerns that were displaced as prime contractors under NAICS Codes 521512, 541330, and 541611 as a result of both the CAEIO and Army REF bundled awards.

CAEIO: Three (3) small business concerns were displaced as prime contractors under NAICS Code 521512 as a result of the CAEIO bundled award.

Army REF: Four (4) small business concerns were displaced as prime contractors: two prime contractors under NAICS Code 541330 and two prime contractors under NAICS Code 541611.

Contract/PIID	Number of Small Business Concern(s)	NAICS Code
CAEIO	3	541512
Army REF	2	541330
Army REF	2	541611

(ii) a description of the activities with respect to previously bundled contracts of each Federal agency during the preceding year, including-

(I) data on the number and total dollar amount of all contract requirements that were bundled; and

There were a total of 10 previously awarded contracts, valued at $631,341,484 that were bundled for both CAEIO and Army REF

Contract	PIID	Estimated Total Value of Previously Awarded Bundled Contracts
CAEIO	SAQMMA12C0212	$150,595,214*
CAEIO	SAQMMA14F1031/GS06F0682Z	$101,261,330
CAEIO	SAQMMA15C0071	$154,816,723*
CAEIO	SAQMMA15F1285/GS06F1227Z	$25,911,475

CAEIO	SAQMMA17F3603/GS35F0555V	$47,936,213
	CAEIO Total	$480,520,955
Army REF	N00178-04-D-4148-FG04	$25,530,173
Army REF	W911QY-13-D-0094 -0003	$39,424,391
Army REF	FA8075-14-D-0010-2T01	$35,990,965*
Army REF	W911S0-18-D-0016	$49,875,000
Army REF	W911S0-18-D-0015	
	Army REF Total	$150,820,529
	Grand Total (CAEIO & Army REF)	**$631,341,484**

* Other than Small Business is also included in the total value

(II) with respect to each bundled contract, data or information on-

(aa) the justification for the bundling of contract requirements;

CAEIO: The General Services Administration (GSA), Federal Systems Integration and Management Center (FEDSIM), analyzed the benefits of bundling the work performed by five (5) separate contracts/orders into a single Task Order (TO). The single TO will provide essential Information Technology Service Management (ITSM) for the planned Consular Affairs Enterprise Infrastructure Operations (CAEIO) requirement on behalf of the Department of State's(DOS) Bureau of Consular Affairs (CA), Office of Consular Systems and Technology (CST). GSA has found this bundling necessary and justified. Bundling the requirements will result in substantial benefits estimated at 17 percent. The benefits exceed the requirements of the Federal Acquisition Regulation (FAR) 7.107-3(d). In addition to significant cost savings, the TO will benefit from increased efficiency, reduction in acquisition cycle times, quality improvements that will enhance performance, and eliminated redundancies. The cost savings and efficiency benefits realized, as a result of this single TO, will outweigh any negative impacts to Small Business (SB).DOS depends on network and information systems for essential operations and data security. Anyfailure or disruption of services resulting from a cyber-attack may have adverse consequences for the Department. Breaking support into multiple procurements not only introduces redundancy to the requirements but also increases vulnerability to cyber threats by increasing the number of weak points and platforms to secure.

Army REF: The General Services Administration (GSA), Federal Systems Integration and Management Center (FEDSIM), analyzed the benefits of bundling three (3) Task Orders (TOs) and one Multiple Award Indefinite-Delivery Indefinite-Quantity (IDIQ) contract with two awardees into one TO for the US Army-Rapid Equipping Force (REF) Mission Support. The consolidated TO will provide the REF with professional services support for research and analysis, outreach, and program management within the CONUS, and operations management, training, logistics, and solutions management within CONUS and OCONUS locations to meet the urgent “materiel” requirements of US Army forces employed globally. GSA has found the consolidation necessary and justified, considering both quantitative and qualitative benefits. Consolidation of the requirements will result in substantial benefits estimated at 23 percent. The benefits exceed the requirement per Federal Acquisition Regulation (FAR) 7.107-2(d)(1)(ii) of five percent of the estimated contract value, when the contract value exceeds $94 million. In addition to the significant quantified cost savings, the contract will benefit from increased efficiency, reduced acquisition cycle times, enhanced performance, and better terms and conditions. The cost savings and other benefits that will be realized as a result of this consolidatedTO outweigh the negative impacts to Small Business (SB).

(bb) the cost savings realized by bundling the contract requirements over the life of the contract;

CAEIO: This requirement was awarded on December 18, 2019. This information is not yet available.

Army REF: This requirement was awarded on April 3, 2020. This information is not yet available.

(cc) the extent to which maintaining the bundled status of contract requirements is projected to result in continued cost savings;

CAEIO: This requirement was awarded on December 18, 2019. This information is not yet available.

Army REF: This requirement was awarded on April 3, 2020. This information is not yet available.

(dd) the extent to which the bundling of contract requirements complied with the contracting agency's small business subcontracting plan, including the total dollar value awarded to small business concerns as subcontractors and the total dollar value previously awarded to small business concerns as prime contractors; and

CAEIO: Data on the total dollar value awarded to small business concerns as subcontractors and the total dollar value previously awarded to small business concerns as prime contractors under this Task Order (TO) is currently unavailable since this TO was awarded under the GSA Alliant 2 GWAC. There are also specific subcontracting goals included at the base Alliant 2 GWAC level for all contract holders. All Alliant 2 GWAC holders have SB subcontracting plans. The Alliant 2 GWAC subcontracting goals (at the master contract level) are as follows:

Small Business Category	*Goal
Total Small Business	50%
Small Disadvantaged Business	6%
Women-Owned Small Business	6%

HUB-Zone Small Business	3%
Veteran-Owned Small Business	3%
Service Disabled Veteran Owned Small Business	3%

*Note: these percentages are the total of subcontracted dollar at the GWAC level, not TO dollars

Army REF: Data on the total dollar value awarded to small business concerns as subcontractors and the total dollar value previously awarded to small business concerns as prime contractors under this Task Order (TO) is currently unavailable since this TO was awarded under OASIS Unrestricted (UR) Pool One. While small business subcontracting goals are established at the OASIS contract level, the prime contractor will be encouraged to maximize small business participation by including an evaluation factor in the solicitation, giving greater consideration to those who partner with small businesses in multiple socio-economic categories and have partnered successfully with such small businesses in the past. The prime contractor will be encouraged to exceed these goals across all socio-economic categories as practicable:

Small Business Category	Goal
Small Business	33%
Small Disadvantaged Business	5%
Women-Owned Small Business	3%
HUB-Zone Small Business	3%
Service Disabled Veteran-Owned Small Business	5%

(ee) the impact of the bundling of contract requirements on small business concerns unable to compete as prime contractors for the consolidated requirements and on the industries of such small business concerns, including a description of any changes to the proportion of any such industry that is composed of small business concerns.

CAEIO: Due to the scale and complexity of the requirement, small business concerns would be limited to a subcontracting capacity and were not able to propose as the prime contractor.However, the acquisition allowed for and encouraged SB subcontracting in the overall proposed solution. The proposed management approach included subcontracting opportunities.

Army REF: The Government’s decision to use OASIS UR Pool One will have nominal impact on small business. Based on the extensive market research conducted, and as described above, only one current small business is displaced at the prime level for these requirements. Additionally, there were no small businesses found during market research that were capable of performing the full breadth of REF’s requirements. To minimize this impact, the Government intends to encourage teaming arrangements with small business and incentivize subcontracting requirements for maximum practicable participation.

Additional SBA Bundling Report Question

Please indicate with a Yes or No if your agency can identify all bundled contracts and provide both cost savings and continued cost savings data for all bundled requirements. If you respond with a Yes and are currently capturing this information, what mechanisms do you currently have in place to capture this (e.g., contract writing system, manual data collection, use of the mandatory Bundled Contract field in FPDS- NG)? If you respond with a No and are not currently able to capture this data, please provide reasons why and identify what corrective actions will be taken to capture this information in the future.

Yes, GSA can identify all bundled contracts and provide both cost savings and continued cost savings data for all bundled requirements. GSA uses various mechanisms to capture this data including the mandatory Bundled Contract field in FPDS-NG to identify all bundled contracts as well as manual data collection for both cost savings and continued cost savings data for all bundled requirements.

ENCLOSURE 4 - DEPARTMENT OF VETERANS AFFAIRS(VA)

Dr. Francis Spampinato
Associate Administrator
Office of Government Contracting and
Business Development
U.S. Small Business Administration
409 3rd Street SW
Washington, DC 20416

Dear Dr. Spampinato:

As requested by the U.S. Small Business Administration, the Department of Veterans Affairs (VA) submits a report on contract bundling actions in fiscal year 2020 (FY 2020). VA ran the standard report in the Federal Procurement Data System, and three bundling actions were identified in FY 2020. The attached report contains consolidated information from VA's major contracting activities on contracts bundled in support of the Community Care Network.

If you have any questions about this submission, please feel free to contact me at 202-461-4600 or sharon.ridley@va.gov.

Sincerely,

Sharon G. Ridley

Sharon G. Ridley
Executive Director
Office of Small and Disadvantaged
Business Utilization

Attachment

Attachment

Request for Action on Bundled Contracts

1. Number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by Federal agencies.

Answer:

Contract Number	Industrial Classification (NAICS)	# SB Displaced	Source
36C79119D0004 NOTE: Also applies to ALL orders placed against this Indefinite Delivery Vehicle (IDV)	524114; and, 446110	69	P03 “CCN Bundling D_F Final” in Contract Action Briefcase
36C79119D0005 NOTE: Also applies to ALL orders placed against this IDV			
36C79119D0006 NOTE: Also applies to ALL orders placed against this IDV			

2. Description of the activities with respect to previously bundled contracts of each Federal agency during the preceding year, including number and total dollar amount of all contract requirements that were bundled.

Answer:
N/A

3. With respect to each bundled contract, data or information on justification for the bundling of contract requirements.

Answer: Besides the cost savings, these bundled contracts support the Community Care Network, and are vital to caring for the Nation's Veterans.

<table>
<tr><th>Contract Number</th><th>Cost Savings Realized Over Life of Contract</th><th>Source</th></tr>
<tr><td>36C79119D0004
NOTE: Also applies to ALL orders placed against this IDV</td><td rowspan="3">$60,672,585.17</td><td rowspan="3">P03 “CCN Bundling D_F Final” in Contract Action Briefcase</td></tr>
<tr><td>36C79119D0005
NOTE: Also applies to ALL orders placed against this IDV</td></tr>
<tr><td>36C79119D0006
NOTE: Also applies to ALL orders placed against this IDV</td></tr>
</table>

4. Cost savings realized by bundling the contract requirements over the life of the contract.

Answer:

<table>
<tr><th>Contract Number</th><th>Cost Savings Realized Over Life of Contract</th><th>Source</th></tr>
<tr><td>36C79119D0004
NOTE: Also applies to ALL orders placed against this IDV</td><td rowspan="3">$60,672,585.17</td><td rowspan="3">P03 “CCN Bundling D_F Final” in Contract Action Briefcase</td></tr>
<tr><td>36C79119D0005
NOTE: Also applies to ALL orders placed against this IDV</td></tr>
<tr><td>36C79119D0006
NOTE: Also applies to ALL orders placed against this IDV</td></tr>
</table>

5. Extent to which maintaining the bundled status of contract requirements is projected to result in continued cost savings.

Answer:

Contract Number	Extent to Which Maintaining Bundled Status is Projected to Result in Continued Cost Savings	Source
36C79119D0004 NOTE: Also applies to ALL orders placed against this IDV	N/A. Not enough data to confirm at this point. VA requires at least 12 full months of data after achieving full start of healthcare delivery.	P03 "CCN Bundling D_F Final" in Contract Action Briefcase
36C79119D0005 NOTE: Also applies to ALL orders placed against this IDV		
36C79119D0006 NOTE: Also applies to ALL orders placed against this IDV		

6. Extent to which the bundling of contract requirements complied with the contracting agency's small business subcontracting plan, including the total dollar value awarded to small business concerns as subcontractors and the total dollar value previously awarded to small business concerns as prime contractors.

Answer: 36C79119D0004 NOTE: This also applies to ALL orders placed against this IDV. This data is as of May 1, 2020 (date of most recent electronic Subcontracting Reporting System (eSRS) report).

SUBCONTRACT AWARDS

	Current Goal:			Actual Cumulative:		
	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Total Contract Value	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Current Contract Value
2a. SMALL BUSINESS CONCERNS	8,659,346	39.5	.1	4,265,258	43.4	0
2b. LARGE BUSINESS CONCERNS	17,516,319	N/A	N/A	5,559,426	56.6	0
2c. TOTAL	26,175,665	100	.2	9,824,684	100.0	0

SUBCONTRACT AWARDS

	Current Goal:			Actual Cumulative:		
	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Total Contract Value	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Current Contract Value
2a. SMALL BUSINESS CONCERNS	8,827,537	34.3	.0	4,193,355	42.7	0
2b. LARGE BUSINESS CONCERNS	16,939,996	N/A	N/A	5,631,328	57.3	0
2c. TOTAL	25,767,533	100	.1	9,824,683	100.0	0

	Current Goal:			Actual Cumulative:		
	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Total Contract Value	Whole Dollars	Percentage of Total Subcontract Awards	Percentage of Current Contract Value
2a. SMALL BUSINESS CONCERNS	9,172,152	34.6	.0	3,508,854	48.0	0
2b. LARGE BUSINESS CONCERNS	17,329,299	N/A	N/A	3,794,374	52.0	0
2c. TOTAL	26,501,451	100	.1	7,303,228	100.0	0

7. Impact of the bundling of contract requirements on small business concerns unable to compete as prime contractors for the consolidated requirements and on the industries of such small business concerns, including a description of any changes to the proportion of any such industry that is composed of small business concerns.

Answer:

Contract Number	Impact of Bundling Requirements on Small Businesses (SB) Unable to Compete as Prime Contractors	Description of Any Changes to the Proportion of Any Such Industry Composed of SB Concerns	Source
36C79119D0004 NOTE: Also applies to ALL orders placed against this IDV 36C79119D0005 NOTE: Also applies to ALL orders placed against this IDV 36C79119D0006 NOTE: Also applies to ALL orders placed against this IDV	Minimal to none. Existing contracts awarded to SB concerns will be used until the same capability is demonstrated by the Community Care Network (CCN) contractors as a part of implementation requirements listed in section 2.2.1 of the CCN Performance Work Statement (PWS). Additionally, there are no expected terminations of existing contracts as a result of the bundled requirement.	Minimal to none. Existing contracts awarded to SB concerns will be used until the same capability is demonstrated by the CCN contractors as a part of implementation requirements listed in section 2.2.1 of the CCN PWS. Additionally, there are no expected terminations of existing contracts as a result of the bundled requirement.	P03 “CCN Bundling D_F Final” in Contract Action Briefcase

ENCLOSURE 5 - DEPARTMENT OF TREASURY(TREASURY)

DEPARTMENT OF THE TREASURY
Contract Bundling Report
Fiscal Year 2020

The U.S. Department of the Treasury had one contract bundling action for Fiscal Year 2020.

(i) data on the number, arranged by industrial classification, of small business concerns displaced as prime contractors as a result of the award of bundled contracts by Federal agencies; and

Contract action: 20341220F00054

(ii) a description of the activities with respect to previously bundled contracts of each Federal agency during the preceding year, including-

NAICS: 541611, Administrative and Consulting Services

(I) data on the number and total dollar amount of all contract requirements that were bundled; and

Total Bundled actions = 1   Total Dollar Value = $73,852

(11) with respect to each bundled contract, data or information on –
(aa) the justification for the bundling of contract requirements;

Justification: Bundled F

(bb) the cost savings realized by bundling the contract requirements over the life of the contract;

Cost savings over the life of the contract: $100,000

(cc) the extent to which maintaining the bundled status of contract requirements is projected to result in continued cost savings;

100% of bundled contract requirements is projected to result in continued cost savings

(dd) the extent to which the bundling of contract requirements complied with the contracting agency's small business subcontracting plan, including the total dollar value awarded to small business concerns as subcontractors and the total dollar value previously awarded to small business concerns as prime contractors; and

NA

(ee) the impact of the bundling of contract requirements on small business concerns unable to compete as prime contractors for the consolidated requirements and on the industries of such small business concerns, including a description of any changes to the proportion of any such industry that is composed of small business concerns.

NA