

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

1. IDENTIFICATION OF AGENCY AND CONTRACTING ACTIVITY:

Requiring Activity: Department of Health and Human Services
Grant.gov Program Management Office
200 Independence Ave. Suite 550G
Washington, DC 20201

Contracting Activity: Department of the Interior
National Business Center/AQD-Herndon
381 Elden Street, Suite 4000
Herndon, VA 20170

2. NATURE AND/OR DESCRIPTION OF THE ACTION BEING APPROVED:

This action is being implemented in accordance with Federal Acquisition Regulation (FAR) 6.302-1, "Only one responsible source and no other supplies or services will satisfy agency requirements."

Grants.gov is the central portal where citizens may find and apply for competitive discretionary grants. Grants.gov is funded and used by all 26 of the federal grants issuing agencies and serviced \$450 billion in grants opportunities in FY2008. Since its inception in FY2004, Grants.gov has experienced an exponential increase in volume since the system was first deployed. In FY 2005 the system processed 17,000 grants submissions and the volume has increased to over 204,000 by FY 2008. Currently, the FY 2009 volume of submissions is on pace to exceed 300,000 grant submissions under normal operations.

On February 17, 2009 the American Recovery and Reinvestment Act (Recovery Act) was signed into law with the purpose of "Making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization, for the fiscal year ending September 30, 2009 and for other purposes." One of the primary tools identified for federal agencies to implement the Recovery Act is Grants.gov and as such it is expected that the volume of usage for Grant.gov will increase significantly over the rest of the fiscal year and specifically the March - June 2009 time frame. Since February 2009 Grants.gov has experienced an increase in system activity far above the capacity of the current system, which routinely has over 3,000 users logged in during system peak periods, which results in significant degradation of system performance.

This situation has resulted in the Office of Management and Budget (OMB) to release memorandum M-09-14 with the subject "Recovery Act Implementation – Improving Grants.gov and Other Critical Systems." To quote the memo: "Effective implementation of the Recovery Act is a critical part of the effort to jumpstart economic activity and a top priority for the Administration. Central to carrying out the provisions of the Recovery Act with unprecedented levels of transparency and accountability is to confirm the capability of current information technology systems to meet the significant increases in financial and

programmatic activity that will occur within Federal agencies during the next several months." The memo also states:

One area of risk that has been identified is in the operation of Grants.gov. As the central portal where citizens may find and apply for competitive grants, Grants.gov has experienced an increasing volume of activity in the past several months. This load has far exceeded the throughput originally anticipated by the system and has at times resulted in noticeably degraded performance. In addition, the Recovery Act is expected to result in an approximate 60 percent additional increase in application volume to Grants.gov, putting the system at a significant risk of failure and thus potentially hampering Recovery Act implementation. After a close and diligent review of system limitations, we have determined this risk to be unacceptably high.

As a result, I am instructing the Department of Health and Human Services, the Federal agency that operates and maintains Grants.gov, and the General Services Administration, which serves as the facilitator of government-wide E-gov solutions, to work together to initiate immediate improvements designed to accommodate this expected volume increase.

The actions undertaken by this request are to fulfill the instruction of M-09-14 and incorporate improvements (technical augmentation) to the system so that Grants.gov will be able to serve the expected volume increase attributed to Recovery Act processing. This action will be initiated by modifying the current Grants.gov System Integration Contract number 1406-04-06-TO-61761 with General Dynamics Information Technology (GDIT). No Recovery Act funds will be utilized to modify the contract.

3. A DESCRIPTION OF THE SUPPLIES or SERVICES REQUIRED TO MEET THE AGENCY'S NEED (including the estimated value):

The technological augmentation of Grants.gov shall be limited to strengthening Grants.gov community applicant and Agency log-on, registration and application processing. The technology augmentation solution (solution) must be developed and implemented to ensure integration into the existing Grants.gov infrastructure.

The Contractor shall supply the expertise, labor, equipment, and services necessary to implement the augmentation and continued day-to-day operations, maintenance, and support of Grants.gov. This includes file servers, storage devices, load balancing and network equipment, additional cage space, racks and hosting services (power, connectivity, monitoring).

The estimated cost of this work [REDACTED], which includes labor, equipment, non-recurring costs and annual recurring costs.

4. IDENTIFICATION OF THE JUSTIFICATION RATIONAL AND IF APPLICABLE A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATION TO PROVIDE THE REQUIRED SUPPLY OR SERVICE:

This action is being implemented in accordance with FAR 6.302-1 "Only one responsible source and no other supplies or services will satisfy agency requirements." Use of this authority was determined appropriate based on the substantial duplication of costs, not due to the existence of any limited data rights.

Competing the effort would not only result in a substantial duplication of costs but also an unacceptable delay in meeting the timeline set forth by OMB. A technical augmentation solution must be developed and implemented in an extremely short period of time. The Recovery Act states that grant funds must be distributed within 120 days after the act was signed in to law, which is June 17, 2009. Because the extremely compressed timeline to implement the solution a contractor is required that has in-depth knowledge of the architecture, design, and coding of the Grants.gov system as well as first hand knowledge of the day-to-day business processes.

The current System Integrator, GDIT designed and operates the Grants.gov system and is the only entity with the in-depth knowledge of the current system. GDIT is also currently the only company that is familiar with the deficiencies of the current design and is best able to engineer a solution taking into account all relevant information concerning the system.

It could take another contractor as much as 60 -90 days to learn the basic architecture, design, and coding of the system and then additional time to design and implement a technical solution, which presents a high level of risk in being able to successfully meet OMB instruction to immediately improve the system and a substantial duplication of costs.

This action will be publicized.

5. A DETERMINATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST WILL BE FAIR AND REASONABLE:

The labor rates which will be utilized by the contractor as a basis of their quote will be those established at the time of competitive award and have been found to be fair and reasonable. These rates are also those listed in the NIH Information Technology Acquisitions & Assessment Center (NITAAC) Chief Information Officer – Solutions and Partners 2 *Innovations* (CIO-SP2i) Indefinite-Delivery/Indefinite-Quantity (IDIQ) contract against which task order 1406-04-06-TO-61761 was awarded. The contractor will be required to provide three quotes, or a justification for not obtaining three quotes, for any other direct costs purchased with funds allocated to the contract via this action.

6. A DESCRIPTION OF MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULT OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

Market research was conducted to determine if any alternative options were available to develop and implement a cost-effective solution in the required time frame of the OMB memorandum to support Recovery Act processing. Grants.gov Program Management Office (PMO) and Health and Human Services (HHS) staff investigated the possibility of using a small business service provider that could be contracted with in order to determine the feasibility of having another source perform this work. It was determined that although other solution providers could eventually learn the system and do the requested work many of these firms did not have the in-house expertise and requisite skills to do all of the work and thus would have to subcontract for other services and that the time frames to obtain the resources, go through the steep learning curve and then design the solution would exceed the time available to improve the system, providing a high level of risk in successfully implementing a timely and cost-effective solution. This time frame also did not accommodate the amount of time it would take to solicit and contract for the services, which would also increase the potential time for a solution implementation. Also considered was contracting with a larger company to obtain these services, but the acquisition and learning curve times, along with the associated costs, would still be a factor and thus make this option a high level of risk in successfully implementing a timely and cost-effective solution. All of these options will also result in a substantial duplication of costs. Based on the above, GDIT is the only source available to perform the work without substantial duplication of costs to the government and without unacceptable delays in fulfilling the agency's requirement.

7. ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Not Applicable.

8. ACTIONS TAKEN BY THE AGENCY TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION:

The current contract was competed in FY 2006 and GDIT was the successful offeror in that competition. HHS is currently considering the next generation of Grants.gov and that requirement will be competitively solicited.

9. SUPPORTING DATA PROVIDED:

The government will provide detailed specifications to the contractor.

CERTIFICATION

In accordance with FAR 6.302-1 "Only one responsible source and no other supplies or services will satisfy agency requirements."

Requiring Activity Technical Requirements Personnel Certification:

I certify the above information is complete and accurate

Signature Sheila Contey Date: 4/23/09

Printed Name: Sheila Contey
Technical Representative Title: Acting Deputy Secretary for Grants

CONCUR

This justification is accurate and complete to the best of my knowledge and belief as the Contracting Officer

Signature Melissa A. Onyszko Date: 4.24.09

Printed Name: Melissa A. Onyszko
Contracting Officer

REVIEW

Signature Robert Brown Date: 4-24-09

Printed Name: Robert P. Brown
Branch Chief, Acquisition Management Division II, Branch I

Signature [Handwritten Signature] Date: 04-24-2009

Printed Name: Daniel McCarthy
Division Chief, Acquisition Management Division II

APPROVAL

This justification is accurate and complete to the best of my knowledge and belief as the Competition Advocate and I approve this action.

Signature WR Archambeault Date: 4/24/09

Printed Name: William R. Archambeault
Competition Advocate