

Justification for Other Than Full and Open Competition

U.S. Department of Housing and Urban Development
Office of the Chief Procurement Officer

PART 1 - PROGRAM OFFICE RECOMMENDATION

I recommend the use of other than full and open competition for the acquisition of [describe services or supplies]
NOFA Information Center Services

Negotiations should be conducted with the following source(s) only [provide names, addresses and points of contact; continue on separate sheets as needed]:

Pyramid Systems Inc., 9301 Lee Hwy., Suite 1200 Fairfax, VA 22031, Attn: Patricia Ibanex [REDACTED]

The estimated cost of this acquisition is: \$

The statutory exception which allows this use of other than full and open competition is [select one]:

- Only one responsible source and no other supplies or services will satisfy agency requirements - 41 USC 253 (c)(1) (see FAR 6.302-1)
- Unusual and compelling urgency - 41 USC 253 (c)(2) (see FAR 6.302-2)
- Industrial mobilization; engineering, developmental or research capability; or expert services - 41 USC 253 (c)(3) (see FAR 6.302-3)
- Authorized or required by statute - 41 USC 253 (c)(5) (see FAR 6.302-5)
- Public interest (NOTE: requires Secretarial approval and Congressional Notification) - 41 USC 253 (c)(7) (see FAR 6.302-7)
- A description of the circumstances which support the use of the above statutory authority is attached and included as Exhibit 1 to this justification.

Program Office Certification. I certify that the information contained in this justification is accurate and complete to the best my knowledge and belief.

Head of Program Office [name]

Darlene F. Williams

Signature:



Title/Name of Office:

General Deputy Assistant Secretary for Administration, A

Date:

3-20-2009

For additional information contact:

Eric Gauff, GTM

PART 2 - CONTRACTING OFFICER REVIEW AND CERTIFICATION

Provide additional justification and comments here. Continue on back as needed.

Contracting Officer Certification.

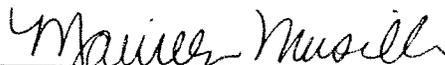
I certify that the information contained in this justification is accurate and complete to the best of my knowledge and belief

Name:

MAUREEN MUSILLI

Previous edition unusable

Signature:



Page 1 of 2

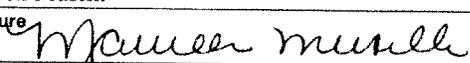
Date:

3-24-09

form HUD-24012 (5/2007)

PART 3 - OTHER APPROVALS

Up to \$550,000 - Contracting Officer

Name Maureen Musilli	Title Contracting Officer
Signature 	Date 3-24-09

\$550,000 to \$11,500,000 - Competition Advocate

Name	Title
Signature	Date

\$11,500,000 to \$57,000,000 - Head of the Contracting Activity

Name	Title
Signature	Date

Over \$57,000,000 - Senior Procurement Executive

Name	Title
Signature	Date

Additional Contracting Officer justification/comments from front [attach additional pages if needed]

Additional Guidance for Completing the Justification
(see HUD Handbook 2210.3, Chapter 4)

1. PART 1 - Program Office Recommendation

The supporting documentation in the Exhibit 1 must describe:

- " The nature of the proposed acquisition that requires other than full and open competition;
- " The unique qualifications of any proposed sole source; and
- " The market research conducted (see FAR Part 10) and the results or the reason(s) why market research was not conducted.

The cost estimate must include all costs of the proposed acquisition, e.g., options, systems life costs, etc. The total will determine the approval level needed (see 3 below).

FAR Subpart 6.3 describes the statutory exceptions, their applicability and limitations on their use.

"Head of the Program Office" means:

- For all Headquarters acquisitions: the cognizant Assistant Secretary or designee.
- For field acquisitions: the program office director (e.g., Director, Multifamily Housing) within the State or Area Office or the Director of the Administrative Service Center for Administration-initiated acquisitions.

PART 2 - Contracting Officer Review and Certification

Besides any information provided to support the program office's justification, the Contracting Officer shall provide:

- Documented results of any Commerce Business Daily notices or explanation of why no notice was published.
- A statement of actions the Department may take to remove barriers to competition for subsequent acquisitions of similar services / supplies; and
- A determination that the anticipated cost / price is fair and reasonable. (See FAR Subpart 6.3 for further guidance.)

The Contracting Officer signing the certification shall be the same individual who will sign the proposed acquisition action which is the subject of this justification.

PART 3 - Other Approvals

The Contracting Officer shall obtain the approval for the dollar value ranges indicated.

If any person required to sign in these blocks disapproves this justification, he/she shall return it to the requesting activity with a written determination.

The requesting activity may obtain the name of the "Contracting Activity Competition Advocate" from the cognizant contracting office.

The "Head of Contracting Activity" is defined at Subpart 2402.1 of the HUD Acquisition Regulation (48 CFR Chapter 24). The cognizant contracting office may also provide the name of this individual.

EXHIBIT 1 TO FORM HUD-24012- SUPPORTING DOCUMENTATION FOR THE JUSTIFICATION AND APPROVAL TO INCREASE THE CONTRACT CEILING OF THE NOFA INFORMATION CENTER CONTRACT

PART 1 – PROGRAM OFFICE DESCRIPTION OF THE CIRCUMSTANCES THAT SUPPORT OTHER THAN FULL AND OPEN COMPETITION ON AN URGENT AND COMPELLING BASIS (41 U.S.C. 253(C) (2)/FEDERAL ACQUISITION REGULATION 6.302-2:

Identification of the agency: US Department of Housing and Urban Development (HUD)

Contracting Activity: Office of the Chief Procurement Officer, Philadelphia Field Operations

Requiring Activity: HUD Office of Departmental Grants Management and Oversight (AJT)

Contract Number: C-OPC-22812, Pyramid Systems, Incorporated (PSI)

1. Nature of the proposed acquisition that requires other than full and open competition:

HUD, Office of Departmental Grants Management and Oversight (AJT), requests a modification to increase the existing contract ceiling \$500,000.00 from \$3,000,000.00 to \$3,500,000.00. This will provide continued program support without interruption until the expiration date of the final Option Year which is February 8, 2010. This will also allow sufficient time for competition for the follow on (base and four year option) contract*.

Recompete: * The procurement administrative lead time (PALT) for this follow on acquisition is 210 days. The acquisition is in the implementation stage. Market research was conducted and the requirement was synopsisized in Federal Business Opportunities on March 10, 2009 as an 8(a) competitive requirement. RFP Number R-PHI-01034 has been assigned to the follow on, with tentative issue date of March 25, 2009.

2. Description of supplies or services required to meet agency's needs:

Contract Number C-OPC-22812 was awarded on February 9, 2005 as an 8(a) direct buy to Pyramid Systems Incorporated (PSI) to provide all services required to operate a Notice of Funding Availability Information Center and other related services as listed below. During the past four years, PSI has provided exceptional contract performance providing information to grant applicants and the public regarding the competitive grant programs at HUD. Their services have included answering public calls regarding HUD grant programs, providing information related to and copies of grant program information (Program NOFAs and the General Section), assisting HUD with the publication of information documents (brochures, NOFA handbooks,

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etc.), assisting HUD with the development of Logic Models designed to assess grant recipient performance, and other related services.

Currently, PSI is performing under the final option year of the contract which ends February 8, 2010. The contract contains a ceiling of \$3,000,000 which was established based on the Small Business Administration (SBA) statutory sole source threshold at that time of \$3,000,000. Since then, the threshold was raised to \$3.5 million, and a request was recently submitted to SBA to allow the contract ceiling to be raised to \$3.5 million; however since PSI has graduated from the SBA program, a justification and approval is necessary to increase the ceiling.

Based on the current burn rate under the contract, the contract ceiling will be reached in mid May 2009. It is anticipated that the burn rate will increase further and deplete the remaining contract capacity earlier with the pending announcement of competitive grant programs for Fiscal Year 2009, and the announcement of programs targeted for funding under the American Reinvestment and Recovery Act. These services are critical to the Department, especially with the pending announcement of the competitive grant programs for Fiscal Year 2009 and the announcement of programs targeted for funding under the Recovery Act. Increasing the existing contract ceiling an additional \$500,000 from \$3,000,000 to \$3,500,000 will provide an opportunity to continue the services at a critical time for the Department, and will help the Department avoid a break in services when those services are greatly needed. The ceiling increase would provide approximately seven months worth of services, thereby allowing the contractor to continue performance until award of the follow on contract is made.

3. Funding:

The contract, to date, is not fully funded, however, current funding on the contract will expire May 2009. A modification to increase the contract ceiling will not require additional funding at this time. It is projected that the additional funding will be needed and issued prior to May 2009 to allow continuation of performance of the contract up to the full performance period of February 8, 2010.

4. A demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the authority cited: Please refer to paragraph 2 above.

5. A description of the efforts made to ensure that offers are solicited from as many potential sources as practicable, including whether a FedBizOpps notice was or will be published as required by FAR 5.2, and if not, which exception under FAR 5.202 applies:

There are no plans to solicit alternative sources for this immediate action and the requirement for notice to potential sources through Federal Business Opportunities (FBO) is not required since

EXHIBIT 1 TO FORM HUD-24012- SUPPORTING DOCUMENTATION FOR THE JUSTIFICATION AND APPROVAL TO INCREASE THE CONTRACT CEILING OF THE NOFA INFORMATION CENTER CONTRACT

the authority at FAR 6.302-2 does not require a synopsis. The five year follow-on contract was synopsised on March 10, 2009. This will allow eligible 8(a) firm to submit a proposal for evaluation and increase the amount of competitive proposals received for the follow-on. The following 8(a) firms have already expressed an interest in the solicitation: DIGITALiBiz, Inc., 406 Main Street, Suite 200, Gaithersburg, MD 20878 and Federal INPUT, 11720 Plaza America Drive, Suite 1200, Reston, Virginia 20190. Increased interest is expected.

6. Market Research Conducted:

The NOFA requirement (original PSI contract) is under the 8(a) direct buy program, however, PSI has graduated from the program. HUD's market research conducted to date, supports keeping this requirement under the 8(a) program, and, taking into consideration the increased workload under the NOFA program, the estimated amount will lend itself to a competitive 8(a) contract. The market research has determined that there are at least four (4) 8(a) firms that can responsibly perform the work at a fair market price, and SBA has accepted our offering to place the follow on contract (base year with four additional one year option periods) as an 8(a) competitive contract. HUD has synopsised this requirement in FBO to allow the maximum amount of competition among eligible 8(a) firms. HUD is currently in the approval process for the advertisement of the solicitation (estimated to be on or after March 25, 2009), however the anticipated contract award date, based upon a 210 day Procurement Action Lead Time, will be October 2009. An optional strategy would be to negotiate now with an 8(a) sole source firm, but that would not be practical or economical, since it would require at least 60 days PALT time, if not more, and would lead to a break in continuous service. Additionally, it is anticipated that the pricing negotiated for this would be higher than the current PSI option year 4 pricing since another contractor would incur transitional, training and startup costs, which will not be incurred by the incumbent.

7. Statement that the Contracting Officer has determined that the anticipated cost to the Government will be fair and reasonable:

The Contracting Officer, by signing below, has determined that the anticipated cost for this justification is fair and reasonable based upon the following: (1) The contractual action will increase the ceiling total but not otherwise change the incumbent's Option Year 4 pricing structure, which was evaluated and deemed fair and reasonable at time of award; (2) The option year 4 pricing was determined to be the most advantageous to the government in February 2009, when the option was exercised, in accordance with FAR 17.207, and (3) incumbent pricing does not include any transition and startup costs that would be anticipated by another offeror.

8. Any other facts supporting the use of other than full and open competition:

EXHIBIT 1 TO FORM HUD-24012- SUPPORTING DOCUMENTATION FOR THE JUSTIFICATION AND APPROVAL TO INCREASE THE CONTRACT CEILING OF THE NOFA INFORMATION CENTER CONTRACT

(i) Explanation of why technical data packages, specifications, engineering descriptions, statements of work, or purchase descriptions suitable for full and open competition have not been developed or are not available.

The purpose of this request is to increase the contract ceiling, not extend the duration of the contract, therefore, the contract will continue performance of all tasks in accordance with the contract statement of work.

(ii) When 603-2 is cited, data, estimated cost, or other rationale as to the extent and nature of the harm to the Government.

If the contract ceiling is not raised the Department will not have the services needed to:

-Assist the public with requests for information on Recovery Act funding of HUD grant programs. As a result of the announcement of nearly \$14 billion dollars going to HUD under the Recovery Act of 2009, it is anticipated that the public's demand for information on the programs being funded will significantly increase. This will be especially true once the programs are officially announced and the competition begins for the funding. If the NOFA Information Center services are not available it could directly impact the ability of HUD to supply vital information to potential program applicants on the related program requirements and how to apply for the funding. The President has emphasized the need to get the funding out to the public quickly to assist with the economic recovery effort. The NOFA Information Center services designed to help to ensure timely information is provided to potential applicants and will help to avoid potential delays in the applicant's ability to submit their applications and subsequently receive a grant award. At this time of economic uncertainty HUD cannot allow this critical resource to become unavailable to the public. Our program partners in the public sector are keenly aware of these services and rely on its availability in providing vital program application information. The impact of not having these services available could potentially delay the dissemination of program information and thereby reduce the effectiveness of the Recovery effort.

-Assist the public with requests for information on HUD grant program applications and processes. Typically, each year demand for information related to the competitive HUD grant programs ramp up. The 2009 competitive programs are expected to be announced in March or April of 2009. Once they are announced HUD, will need assistance with addressing the calls from the public for information and documents related to the application process. In 2008, PSI, addressed over 4300 calls from the public regarding HUD's grant programs. With the addition of the Recovery Act funded programs, we expect the demand for information to be even greater. Currently, HUD does not have the internal resources needed to perform this service. If

EXHIBIT 1 TO FORM HUD-24012- SUPPORTING DOCUMENTATION FOR THE JUSTIFICATION AND APPROVAL TO INCREASE THE CONTRACT CEILING OF THE NOFA INFORMATION CENTER CONTRACT

a contract is not available to provide this service, potential grant applicants will not have a reliable and centralized source to call on to obtain information on HUD's grant programs and the HUD application process. As a result, program staff will experience a significant increase in the number of calls from the public regarding grant programs, thereby diminishing the amount of time they will have to concentrate on program management. If the 4300+ calls from the public that were received in 2008 were to now go directly to program staff it would greatly reduce their ability to review applications, monitor performance and generally manage their programs. Also, many potential applicants and the general public will no longer have a centralized source to call on to obtain the information. Over the past 5 years, HUD program offices have relied on the NOFA Information Center to field the majority of the public calls for program related information and the application process since HUD does not have the resources, financial or otherwise to perform these services. The public has become familiar with their ability to call upon this centralized source (NOFA Center) for the information. If the Center's services are not available, it will cause confusion on the part of the public which has become familiar and have relied upon the Center's services, and the program offices will be forced to expend vital resources addressing requests from the public. The results will be a lack of confidence in HUD's ability to provide fast and accurate information on its programs and the application process, and it will drain program resources that will be diverted from program management functions to addressing public inquires.

-Design and Distribution of HUD grant program information documents. Each year HUD requires assistance with the design of the covers for the S-NOFA documents published to inform the public about HUD grant programs and the application process. Since October 2008, more than 500 documents have been shipped to the public on HUD's behalf. Currently, the incumbent contractor is in the process of designing the covers for the 2009 NOFA competitions and working with ODGMO in developing brochures and informational documents related to HUD programs. This work will not be completed by mid May 09. As a result, these critical documents will not be available for the public at the time needed for the 2009 competitions to help inform the public about HUD grant programs and the application process. This could potentially decrease the number of program applicants thereby reducing the impact of the programs on the nation as a whole. HUD's ability to inform the public about its programs increases the potential pool of applicants who will apply for the programs. The number of applicants has a direct correlation to the scope and impact of HUD's programs in terms of geographic coverage and diversity of the applicant pool. It would also negatively impact applicants who rely on these critical tools when they prepare their applications, potentially resulting in submission errors. Applicants who make application errors are not allowed to reapply after the closing date for a program. As a result, those applicants will not be able to

EXHIBIT 1 TO FORM HUD-24012- SUPPORTING DOCUMENTATION FOR THE JUSTIFICATION AND APPROVAL TO INCREASE THE CONTRACT CEILING OF THE NOFA INFORMATION CENTER CONTRACT

provide the vital resources offered under HUD programs in their respective communities. The impact can be substantial in the form of reduced resources for housing and related services in the impacted communities.

-Logic Model (LM) development and refinement. Historically, ODGMO requires assistance with the analysis of LM submissions from program recipients. This assistance is provided to all six (6) of the HUD program offices. The work performed helps the program offices improve their ability to show and document the value of the programs in the form of demonstrated program outcomes. It also helps identify programs and recipients who are not able to demonstrate program outcomes. This work is critical to the Department as LM submissions from the 2008 awards will soon be delivered by the recipients. There is not sufficient time to shift this work to another contractor and ODGMO does not have a sufficient number of staff to perform all the necessary work. If these services are not provided, HUD programs will not have these vital services to help document and demonstrate the impacts and outcomes that will result from the application of the program resources. As a result, HUD programs could potentially be eliminated by Congress or the President for not being able to demonstrate their value to the public. This could result in the loss of millions of dollars in program funding, impacting HUD operations and well as the public's access to the program funding and have a negative impact on the current economy.

Should there be a break in continuous service, the risk to the Government would be substantial and many instances have been sighted above to support the need for the continued need for uninterrupted support for a NOFA Information Center. To date, PSI has worked with and is very familiar with the HUD NOFA requirements, which a new contractor would be required to understand and implement immediately, since there is no transition language in the existing contract statement of work. Any lapse in the contract would also create additional hardships on the program that may result in an overwhelming number of inaccurate applications and ultimate denial of applications which could result in loss of grant funding and subsequent financial loss and or risk in private and government sector. In today's economy, the ripple effect of the extent of financial harm to the government and ultimately public spans far beyond what is included herein.

9. A listing of sources , if any, that have expressed , in writing, an interest in the acquisition. See paragraph 5 above.

10. A statement of the actions, if any the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the services are required.

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It is this office's desire to maximize the use competition. As such, the procurement strategy for the follow on competition (RFP R-PHI-01034 estimated to be issued on or after March 25, 2009) was synopsised in FBO on March 10, 2009 as a competitive 8(a), best value procurement, utilizing price and technical factors. The closing date of the solicitation will be 30 days after issuance of the solicitation which should allow ample time for maximum competition among eligible 8(a) firms while achieving the mandated 8(a) goals.