

# Justification for Other Than Full and Open Competition

U.S. Department of Housing and Urban Development  
Office of Administration

## PART 1 - PROGRAM OFFICE RECOMMENDATION

I recommend the use of other than full and open competition for the acquisition of *[describe services or supplies]*

Multi-family Master Subservicer

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

Midland Loan Services, Inc., 10581 Mastin, Suite 700, Overland Park, KS

The estimated cost of this acquisition is: \$ **0**

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]*

Stephen L. Ledbetter

Signature:

Title/Name of Office:

SVP Office of Mortgage Backed Securities, TS

Date:

1/13/2011

For additional information contact:

202-475-4973

## PART 2 - CONTRACTING OFFICER REVIEW AND CERTIFICATION

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

See attached justification

**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:

Previous edition unusable

Signature:

Page 1 of 2

Date:

form HUD-24012  
ref. Handbook 2210.3

**PART 3 - OTHER APPROVALS**

**Up to \$500,000 - Contracting Officer**

Name <i>Tanya J. Larson</i>	Title <i>Contracting Officer</i>
Signature <i>[Signature]</i>	Date <i>2/4/11</i>

**\$500,000 to \$10,000,000 - Contracting Activity Competition Advocate**

Name Elie F. Stowe	Title Asst CPO for Policy, Systems, & Oversight
Signature	Date

**\$10,000,000 to \$50,000,000 - Head of the Contracting Activity**

Name	Title
Signature	Date

**Over \$50,000,000 - 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.

**JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION**  
C-OPC-22882

**1. Requiring Activity:** Government National Mortgage Association  
**Contracting Activity:** Office of the Chief Procurement Officer/HHQ  
**Requisition Number:** R-2011-TS-00021  
**Contract Number:** C-OPC-22882/Multi-Family Master Subservicer

**2. Nature and/or description of the action being approved:**

The Government National Mortgage Association (Ginnie Mae) hereby requests a modification to extend the existing contract, C-OPC-22882, under a time extension for the purposes of providing continued program support while the re-compete for the new contract is in the final stages of completion.

Ginnie Mae has a continued need for the contractor to provide Multifamily loan servicing functions. These services include but are not limited to providing default services, servicing current, delinquent and defaulted loans, including preparation of full insurance endorsement packages and effecting assignments for full insurance benefits on defaulted loans or Real Estate Owned (REO), enforcement and foreclosure services, preparation and submission of claims for FHA insurance benefits, and reports to Ginnie Mae, providing for the conversion of Construction Loan Certificates (CLC) to Project Loan Certificates (PLC) and providing management oversight to projects due the term of this contract. In order to provide continuity of program support, Ginnie Mae's needs for a Multi-Family Master Subservicer capable of providing continued services without interruption is of an unusual and compelling nature.

**Recompete:**

Planning for the current solicitation began in January 2010, but due to staff shortages the acquisition fell behind schedule and did not get back on track until June 2010. The package was forwarded and accepted in OCPO on October 19, 2010. The current contract will expire January 26, 2011.

**3. Description of supplies or services required to meet Ginnie Mae's needs:**

Ginnie Mae is a wholly owned Government corporation that provides a secondary market for government insured/guaranteed loans through its Mortgage-Backed Securities programs. The services provided under this contract include but are not limited to providing default services, servicing current, delinquent and defaulted loans, including preparation of full insurance endorsement packages and effecting assignments for full insurance benefits on defaulted loans or Real Estate Owned (REO), enforcement and foreclosure services, preparation and submission of claims for FHA insurance benefits, and reports to Ginnie Mae, providing for the conversion of Construction Loan Certificates (CLC) to Project Loan Certificates (PLC) and providing management oversight to projects during the term of the Agreement.

**JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION**  
C-OPC-22882

**Funding:**

The cost to extend this contract through July 2011 is less than \$100.00. There are sufficient funds available on the current contract to fund this extension. The estimated monthly cost for this contract is \$16.70. Currently there are sufficient funds available to fund the contract for a period of six months; this will allow for the completion of the re-compete and any necessary transition process.

**4. Identification of the statutory authority permitting Other Than Full and Open Competition:**

41 USC 253 (c) (2) (FAR 6.302-2) – Unusual and Compelling Urgency

**5. A demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the authority cited.**

The current contract will expire on January 26, 2011, obtaining the services from Midland Loan Services is the most advantageous method to provide continued support for Multifamily loan servicing functions. At the present time it would be virtually impossible for any other contractor to provide the necessary services, hire experienced staff and transition the work from the incumbent contractor in a timely but smoothly manner without disrupting the services and subject the Government to any undue risks. Award to other than the incumbent at this time may result in a disruption of services.

This proposed extension will not exceed a six-month period. This extension will allow the Contracting Officer sufficient time to solicit the re-compete for Multi-family as a full and open commercial acquisition.

**6. 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 5.202 applies.**

There are no plans to solicit alternative sources for this action. The requirement for notice to potential sources, for example through publication in FedBizOps pursuant to FAR Subpart §5.2, is specifically exempted for contract actions subject to the conditions of unusual and compelling urgency, in which the Government would be seriously injured by the delays that such notice requires. The exemption is specifically provided in FAR §5.202(a)(2).

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

The cost to continue this effort is at no additional cost to the government. Funds in the amount of \$3.0M remain on the current contract.

**8. A description of the market research conducted (see FAR Part 10) and the results or a statement of the reason market research was not conducted:**

**JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION**  
C-OPC-22882

Due to the basis and nature of this request for a short term contract extension, under Unusual and Compelling Urgency (FAR 6.302-2), full market research was not conducted.

Pursuant to FAR Parts 10 and 12, comprehensive market research was conducted during the acquisition planning stage for the re-compete action. However, based on the need to maintain continuity of services until the new contract is award, limited market research indicates that no other vendor can immediately perform the task of the Multi-Family Master Subservicer.

**9. Any other facts supporting the use of other full and open competition:**

Should a default occur without continuity of service, the risk to Ginnie Mae and the Federal Government would be insurmountable. PNC Bank, NA (formerly Midland Loan Services) has worked with, and is very familiar with Ginnie Mae's extensive system interfaces, which a new contractor would be required to understand and implement in detail upon taking over from the incumbent contractor. Moreover, the incumbent contractor is experienced and well-versed in servicing multifamily commercial products. Therefore, any lapse in the contract would also create a hardship and inconvenience that may result in Ginnie Mae incurring a financial loss. In addition, the Ginnie Mae CIO has determined a minimum of six months is required for any contractor to fully understand and transition into the capacity to perform all tasks under this statement of work. This includes the ability to fully integrate all business requirements compliant with all outstanding system security certifications and accreditations requirements established by the National Institute of Standards and Technology (NIST).

**10. A listing of the sources, if any, that expressed, in writing, an interest in the acquisition.**

Due to the unusual and compelling urgency of this requirement, a listing of sources was not sought for this extension. As such, there is no listing of sources being provided.

**11. 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 or supplies are required.**

Due to the unusual and compelling urgency of this requirement to address the short time period needed to complete final stages of the acquisition process this action is required to maintain continuity of services and minimize programmatic, financial and operational risks.

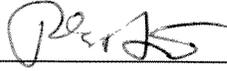
It has always been the program's desire to promote full and open competition to the maximum extent possible. As such the procurement strategy for the current solicitation, already in progress, is to acquire these services using Full and Open Competition.

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION  
C-OPC-22882

CERTIFICATIONS

I certify that the facts and representations under my cognizance which are included in this justification and which form a basis for this justification are complete and accurate.

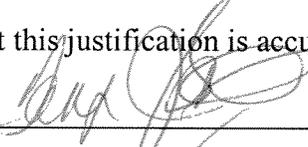
TECHNICAL COGNIZANCE: (If applicable)

(Signature)  Phone X 4937 Date 1/20/11

(Printed) Name and Title GTR

CONTRACTING OFFICER CERTIFICATION REQUIRED BY FAR 6.303-2(a)(12)

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

(Signature)  Phone X7069 Date 2/4/2011

(Printed) Name and Title Tanya Shatun