Contract Bundling Report to Congress

Fiscal Year 2017

April 2, 2019

The Small Business Act (the Act) requires the U.S. Small Business Administration (SBA) to annually submit a report on bundling to the Committees on Small Business of the House of Representatives and the 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" and in 15 U.S.C. § 632(o)(2) the statute 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; or

(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 that should contain the following information:

(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

(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

(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 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

(ee) the impact of bundling contract requirements on small business concerns 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 is able to query FPDS-NG contracting data using the FPDS-NG Bundling Report and requests a written report from each of the 24 Chief Financial Officers Act agencies that provides the information required by 15 U.S.C. § 644(p)(4)(B) of the Act.[1]

FPDS-NG and agency data collection sources do not currently contain sufficient information to quantify the extent to which bundling of contract requirements impacts the ability of small businesses to compete as prime contractors or to compare the savings realized under an existing bundled contract with the potential savings that may occur if that bundled contract is re-competed in its current configuration. This report contains a summary of agency narrative reports that address the bundling data required by15 U.S.C. § 644(p)(4)(B). Included is supplemental data on previously reported bundled contracts that were active in Fiscal Year (FY) 2017. FPDS-NG does not currently capture estimated savings at the transaction level nor does it capture bundling that occurs overseas as 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" that is at variance with the definition of bundling at 15 U.S.C. § 632(o)(2). FPDS-NG was revised during FY 2017 (V1.4 SP 33.0) to provide an improved capability for all agencies to identify bundled contract actions; however, a means to capture savings at the contract action transaction level continues to require additional agency narrative reporting.

FISCAL YEAR 2017 RESULTS

In FY 2017, two agencies reported bundling activity that totaled $624,959,960.49 in ultimate dollar value. None of the reported bundling was identified as Mission-Critical or related to A-76 actions.

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[1] Beginning with the FY 2018 report, SBA intends to reiterate to the reporting agencies that Section 15 of the Act requires a report on all bundling activity, regardless of whether the contract value exceeds the "substantial bundling" threshold.

SBA sought bundling data directly from all the 24 CFO agencies. Two agencies responded with the enclosed reports on the bundling activities. Fifteen reported no bundling activity. One agency, the U.S. Office of Personnel Management, did not respond. The remainder responded as follows:

- USAID, had reported contract actions in the FPDS-NG Bundling Report as "bundled," but the majority of USAID's bundling actions were for overseas missions, which are not subject to the FAR bundling regulation. USAID stated the agency-reported bundled actions did not meet the definition of a bundled contract in the FAR. The FAR, in FAR 2.101, states bundling does "not apply to a contract that will be awarded and performed entirely outside of the United States" so this report does not include these actions as "bundled."
- NASA did not report any contract bundling actions in FY 2017 but listed two contracts from previous years.
- Department of the Interior reported 78 actions in FPDS-NG, but, after review, found that many of these entries were likely in error. DOI corrected some entries, and, currently, DOI shows 6 contracts in the standard bundling report for FY 17. DOI confirmed the contracts are not bundled and will be corrected as soon as is feasible.
- Department of Treasury reported FPDS-NG is the external tool used to pull the "Bundled Contracts" Report. The report was pulled on December 1, 2017 and 19 were reported as bundled. However, Treasury stated that there were many miscoded contracts.

- Department of State reported reviewing 553 acquisitions identified as bundled in FPDS-NG, but some were entered as bundled in error. The State Department is taking corrective action to update these entries, generate, and forward a corrected FPDS-NG bundling report to SBA.
- Department of Veterans Affairs reported nearly one-thousand records that had been coded erroneously as bundling. These were errors resulting from "Express Reporting," where agencies report groups of transactions over a period of time in the same FPDS record as long as they are to the same vendor. FAR 4.606(a)(3). As of the date of the report, only one Veterans Affairs record appears as bundled in FPDS-NG, and this record is being corrected in FPDS-NG by Veterans Affairs.

Two Federal agencies, the Department of Defense (DOD) and the General Services Administration (GSA), each reported contracts where bundling occurred. The DOD reported one bundled contract award in FY 2017 representing $89,317,777 in ultimate dollar value and $10,080,622 in obligated funds in FY 2017. DOD also provided updates on two additional bundled contracts that were active in FY 2017 and previously reported in FY 2016. SBA analysis identified a fourth contract, previously reported in FY 2016, which was active in FY 2017 which is included in Table 1 below. The three previously reported bundling awards represented a total of $29,471,890 in obligated funds in FY 2017. Altogether, $39,552,512 was obligated on DOD contract actions identified as bundling in FY 2017. A copy of the DOD FY 2017 Contract Bundling Report is provided as Enclosure 1.

GSA reported one bundled contract representing $60,552,976 in ultimate dollar value and $10,866,871 in obligated funds in FY 2017. The entirety of the $10,866,871 obligated on GSQ0017AJ0096 was DOD-funded and is identified in the GSA Fiscal Year 2017 Contract

Bundling Report provided as Enclosure 2. Table 1 below provides a summary of FY 2017 contract bundling activity for DOD and GSA.

TABLE 1 – Agency Summary of FY 2017 Bundled Contracts

	Contracting Agency PIID	Total Bundled Dollars Obligated (FY2017)	Ultimate Contract Value Of Bundled Contract (Over Life of Contract)
HTC71117CD001	U.S. TRANSPORTATION COMMAND (9776)	$10,080,622.16	$89,317,776.77
W52P1J16C0074	ARMY CONTRACTING COMMAND (2100)	$1,823,549.27	**$133,627,704.98**[2]
SPE7LX16D0125	DEFENSE LOGISTICS AGENCY (97AS)	$3,753,500.68	$41,461,502.74
HQ003415D0018	WASHINGTON HEADQUARTERS SERVICES (WHS) (97F5)	$6,213,215.79	$300,000,000.00
HQ003415D0017	WASHINGTON HEADQUARTERS SERVICES (WHS) (97F5)	$6,714,617.29	
HQ003415D0016	WASHINGTON HEADQUARTERS SERVICES (WHS) (97F5)	$6,772,532.18	
HQ003415D0015	WASHINGTON HEADQUARTERS SERVICES (WHS) (97F5)	$3,587,742.81	
HQ003415D0014	WASHINGTON HEADQUARTERS SERVICES (WHS) (97F5)	$606,731.52	
SUBTOTAL:		$39,552,511.70	$564,406,984.49
GSQ0017AJ0096	GENERAL SERVICES ADMINISTRATION	$10,866,871	$60,552,976
SUBTOTAL:		$10,866,871	$60,552,976
TOTAL:		$50,419,382.70	$624,959,960.49

[2] SBA could not reconcile the Total Ultimate Contract Value for the bundled contract with FPDS-NG data. SBA contacted DOD but no explanation or report update was received as the date of this contract bundling report.

U.S. DEPARTMENT OF DEFENSE

In support of the requirement from 15 U.S.C. § 644(p)(4)(B) of the Small Business Act for the SBA to prepare an Annual Report on Contract Bundling, the DOD Office of Small Business Programs submitted a report to SBA that outlined the extent of the Department's contract bundling for FY 2017 (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 one new contract in FY2017 and continued to make awards against three existing bundled contracts previously reported in FY 2016. The new bundled contract reported in FY 2017 was a United States Transportation Command (USTRANSCOM) requirement for Information Technology (IT) service contracts.

Additionally, DOD provided updates on bundled contract awards previously reported in FY 2016. Based on FPDS-NG data, the additional information DOD provided, and the activity noted on a previously identified substantial bundling award not provided in the 2017 DOD narrative report, the bundling activity for three previously bundled contracts is included in this report. Those active bundled contract actions included:

- A U.S. Army Contracting Command requirement for Army Cybersecurity Enterprise Support (ACES) services in support for Army CIO/G-6;
- A Defense Logistics Agency requirement for Industrial Product-Support Vendor (IPV) for the U.S. Army customer Red River Army Depot (RRAD); and
- The Washington Headquarters Services requirement for Analytic and Technical Support Services (ATSS), which represents five, multiple-award contracts with an

aggregate ceiling value of $300M. This solicitation also included a small business reserve for specific requirements that was awarded to three Small Business Concerns.

The information below and in the attachments to the DOD report 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:**

There were two Small Business Concerns displaced across the single NAICS code represented in the DOD Bundling Actions. The impacted NAICS small business contractors are represented in Table 2 below.

TABLE 2 – Summary of Displaced Small Business Concerns as Prime Contractors for DOD FY 2017 Bundled Contracts

NAICS	Number of SB Contractors
541512	2

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

TABLE 3 – Summary of Active DOD Bundled Contracts – Ultimate Dollar Value

Procurement Instrument Identifier (PIID)	Contracting Agency	Estimated Total Value of Bundled Contracts (Ceiling Over Life of Contract)
HTC71117CD001	UNITED STATES TRANSPORTATION COMMAND (9776)	$89,317,776.77
W52P1J16C0074	ARMY CONTRACTING COMMAND (2100)	**$133,627,704.98**[3]
SPE7LX16D0125	DEFENSE LOGISTICS AGENCY (97AS)	$41,461,502.74
HQ003415D0018	WASHINGTON HEADQUARTERS SERVICES (97F5)	$300,000,000.00
TOTAL		$564,406,984.49

II. The attachments to the DOD report provide detailed information 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 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

(ee) the impact of bundling contract requirements on small business concerns unable to compete as prime contractors and industries of such small business concerns.

[3] As noted in Footnote 2, SBA could not reconcile the Total Ultimate Contract Value for the bundled contract with FPDS-NG data. SBA contacted DOD but no explanation or report update was received as the date of this contract bundling report.

III. The following attachments from the DOD report are incorporated as attachments to this report (Note: There was no attachment provided for the previously reported Washington Headquarters Services Contracts identified in Table 1):

Attachment 1: United States Transportation Command - HTC71117CD001

Attachment 2: Army Contracting Command – W52P1J16C0074

Attachment 3: Defense Logistics Agency – SPE7LX16D0125

GENERAL SERVICES ADMINISTRATION

In support of the requirement from 15 U.S.C. § 644(p)(4)(B) of the Small Business Act for SBA to prepare an Annual Report on Contract Bundling, the GSA Office of Small Business Utilization submitted a report to SBA that outlined the extent of GSA's contract bundling for FY 2017 (Enclosure 2).

Based on the narrative report provided by GSA and a review of the data reported in the FPDS-NG, it was determined that GSA bundled one new contract in FY 2017. The new bundled contract reported in FY2017 consisted of PIID GSQ0017AJ0096 – United States Cyber Command (USCYBERCOM) Cyber Training and Exercise (CTE) Support Services for $60,552,976.00 in ultimate dollar value.

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 GSA:**

There was a total of two Small Business Concerns displaced by the GSA bundled contract actions as represented in Table 4 below.

TABLE 4 – Summary of Displaced Small Business Concerns as Prime Contractors for GSA FY 2017 Bundled Contracts

NAICS	Number of SB Contractors
541511	2

2. **Description of the activities with respect to previously bundled contracts of GSA during the preceding year:**

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

TABLE 6 – Summary of Active GSA Bundled Contracts in FY 2017 – Ultimate Dollar Value

FY 2017 – Ultimate Dollar Value Procurement Instrument Identifier (PIID)	Contracting Agency	Estimated Total Dollar Value of Bundled Contracts (Ceiling Over Life of Contract)
GSQ0017AJ0096	General Services Administration	$60,552,976.00
TOTAL		$60,552,976.00

II. Enclosure 2 to this report provides detailed information 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 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

(ee) the impact of bundling contract requirements on small business concerns unable to compete as prime contractors and industries of such small business concerns.

SUMMARY

Contract bundling activity, totaling $50,419,382.70 in obligated FY 2017 funds, continued to be a small percentage of total Federal contract actions reported, representing 0.0114% of the $442,486,793,745 in Federal prime contracts obligated in FY 2017. For context, procurement data for FY 2017 shows that DOD awarded $61.4B in small business prime contracts, which would meet or exceed the DOD procurement prime contracting goal of 22.00%. DOD contract bundling in FY 2017 represents 0.0089% of total Federal prime contract awards. DOD significantly mitigated the impact of bundling through the use of set-asides, reserves and subcontracting plans. Procurement data for FY 2017 shows that GSA awarded $1.9B in small business prime contracts, which would meet or exceed the GSA procurement prime contracting goal of 36.5%. GSA contract bundling in FY 2017 represents 0.0025% of total Federal prime contract awards. GSA mitigated the impact of bundling on Small Business Concerns through the use of set-asides for Small Business Concerns.

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, 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. Similarly, 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 collection. FPDS-NG was revised during FY 2017 (V1.4 SP 33.0) to provide an improved capability for all agencies to identify bundled contract actions but it does not yet offer a means to capture savings at the contract action transaction level.

ENCLOSURE 1

DEPARTMENT OF DEFENSE (DOD)

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 to SBA to discuss the extent of the Department's contract bundling for fiscal year (FY) 2017.

Based on an extensive review of the validated data from the *Bundled and Consolidated Contracts Report* in the Federal Procurement Data System-Next Generation (FPDS-NG), as well as communication with all DoD components, the Department reports only one bundled contract for FY 2017, from the United States Transportation Command (USTRANSCOM). As requested, the information below provides details regarding this contract (as well as activity from the two bundled contracts reported previously in FY 2016) 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

NAICS	Number of SB Contractors
541512	2

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

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

PIID	Contracting Agency	Total Bundled Dollars
HTC71117CD001	USTRANSCOM	$89,317,776.77

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

Attachment 1: USTRANSCOM- HTC711-17-C-D001

PIID	Contracting Agency	Total Bundled Dollars
W52P1J16C0074	Army Contracting Command	$133,627,704.98
SPE7LX16D0125	Defense Logistics Agency	$41,461,502.74

Details regarding the above DoD bundled contracts from FY 2016 which had activity during FY 2017 are described in the following attachments:

Attachment 2: Army Contracting Command – W52P1J16C0074

Attachment 3: Defense Logistics Agency – SPE7LX16D0125

Summary

The DoD recognizes the importance of minimizing contract bundling to avoid adverse impacts to small businesses in the defense industrial base. The single digit bundling actions conducted by DoD—particularly in light of the high volume of DoD contracts—reflects the Department's dedication to fostering a healthy small business industrial base. Preliminary data for FY 2017 shows that DoD awarded $61.2 billion in small business prime contracts, which represents 22.57% of all small business eligible DoD procurement dollars ($271.4 billion). This exceeded the SBA-assigned goal for DoD of 22.00%. Based on this preliminary data, DoD expects to surpass its small business goal while bundling only when necessary and appropriate. 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 total dollar value of FY 2017 bundled contracts is $89,317,776.77. This amount represents merely 0.032% (less than one-tenth of one percent) of the small business eligible DoD procurement dollars.

The involvement of Small Business Professionals throughout the acquisition process, including training contracting personnel and participating in acquisition strategy reviews, was critical to minimizing 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.

Attachment 1 USTRANSCOM - HTC711-17-C-D001

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

Combining Information Technology (IT) service contracts, United States Transportation Command (USTRANSCOM) gains greater visibility and control, reduces confusion, consolidates tasks, synergize touch points between functions, and significantly reduces the time and resources spent managing several contracts providing similar/overlapping services.

The following quantifiable areas provide the anticipated savings over the life of the acquisition and provide an explanation for the need to bundle requirements.

- Task Order Management

A contractor can manage a group of related services within a bundled contract with a smaller total management staff than would be needed for separate management of those services through many small contracts. Similarly, the Government can reduce the personnel for contract oversight. The Government can avoid paying duplicate overhead expenses by shifting from many small contracts with multiple contractors to a single contract with one prime contractor. Reducing the number of personnel performing contractor oversight showed a cost savings of approximately $865K over the life of the contract.

An additional benefit gave the greater flexibility of the contractor to quickly shift resources among services to meet emerging or emergency Government needs. This leads to a reduction in personnel turmoil, leading to improved performance for the Government.

- System Administration Support Consolidation

In USTRANSCOM's three contracts, we had personnel performing System Administration (SA) in each contract. This forced each contractor to maintain a staff of experienced and trained system administrators that were independent and created redundancy in capability. Approximately 60% of SA work was being performed by the large business, due to the complexity of the work and proven pool of experienced, available resources. Consolidation allowed the contractor to take advantage of the skills that can be used across multiple task areas without having to maintain duplicate skill levels and training certifications. We had anticipated this change will allow the contractor to change the contract ratio of 3:1 Senior SA to Associate SA to a more cost effective 1:3 ratio.

A single consolidated contract made it easier to implement new technologies and change direction of how IT services are provided. This is due to having a single vendor and not having to get buy-in from the multiple vendors. The Government plans to introduce Cloud services and Platform as a Servicer (PaaS) as the way forward on how our IT services are provided. The Government expects to leverage the experience of one contract team verses three separate contract teams to make this transition.

Additionally, the contracting team anticipated our organization will mature more quickly with a consolidated contract verse the three contracts. This is due to having a common vision across all task areas working with the Government to provide improved IT service delivery. As we mature we expect to increase our system to SA ratio to an industry best practice of 40:1 (systems to SA). This will require identifying standards and reducing variation within the virtual environments and improve IT management practices. Thus enabling us to maintain fewer versions of operating system software and reduce the complexity in the environment. Currently, Unix/Linux is running about a 30:1 and Windows is at an 11:1 ratio. We expect to increase the server to SA Unix/Linux ratio to 40:1 over the life of this contract. We would like to achieve a Windows server to SA ratio of 40:1 but a more conservative goal of 20:1 is more feasible.

Based on these principles and goals, we calculated the cost of changing the ratio of senior administrators to associate administrators and the improvement of systems to system administrator ratio and we expect to save about $8.1M in system administrator costs.

- Database Administration Consolidation

USTRANSCOM currently maintains four main database products/environments (i.e., Oracle, Microsoft SQL, Sybase and Teradata). Currently we maintain multiple versions of each product with no defined standards. The Government's goal is to provide Database as a Service (DBaaS) to the enterprise. This will require the contractors to implement and enforce standards to reduce variation in the environments and consolidate disparate instances of database management systems within the command. Maturing the database services will minimize the complexity and reduce the number of Full Time Equivalents (FTEs) with diverse skill sets to maintain these environments. Additionally, under one contract we anticipated the sharing of resources to change skill level ratio of Senior Database Administrators (DBAs) to Intermediate/Associate DBAs, at 11:1 to a more cost effective ratio of 8:3. We expected a minimum savings of $1.2M over the life of the contract from these efficiencies.

- Security Operations Management Support

Duties performed related to intrusion detection cut across multiple contracts. As this function conforms to ITIL best practices, and consolidates activities under a single contract we predict to see better performance to both internal/external customers. Additionally, we will eliminate about .5 FTE at a cost of $295K over the life of the contract and gain efficiencies and effectiveness related to cyber security.

- Risk Management Framework

The Engineering Support Task and Test Center Task requires testing of USTRANSCOM software/hardware. The Test Center is focused on functional and integration testing, while the Engineering Support Task is focused on security testing. Because both types of testing are required, there is duplication of effort in the hands-on testing activities. Consolidation changes focus on improved quality, business efficiencies, and eliminating gaps and duplication.

The alignment of some functions to the new Test and Assessment task eliminates duplication of work. Realigning the hands-on testing portion of the Engineering Support Task to the new Test and Assessment Task is anticipated to reduce the required level of effort on the lines of one (1) FTE at a cost of $738K over the life of the contract.

Functions performed under the Engineering Support Task are realigned to Security Auditing, Configuration, and Vulnerability Management Activities Support and to the new Test and Assessment task as identified by industry best practices. Integration of the auditing functions will provide USTRANSCOM with a better depiction of the security posture of its systems/networks.

Certification and Accreditation package development is realigned under the Risk Management Authorization area to better align to an ITIL construct to eliminate gaps. Authorization actions were performed under two different contracts resulting in a higher quality of support based on industry best practices and eliminated gaps in package development.

Calculation methodology was based on comparing status quo costs associated with a task/function to the projected consolidated costs. Based on what we identified above in expected savings USTRANSCOM identified a new cost associated with projected benefit. These savings projections are based on a successful, fully implemented business practice within the IT environment. Though all of the savings may not be fully realized in the first couple of years after contract start, we anticipate achieving total savings by end of the contract.

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

PREVIOUS CONTRACT/TASK ORDER	**CONTRACTOR**	**NAICS**	**VALUE**
HTC711-11-F-D038	RX JOINT VENTURE	NAICS on CAR: 541512	$18.9M
HTC711-11-F-D051	AGILE DEFENSE	NAICS on CAR: 541512	$56.0M
W91QUZ-07-D-0001-6S02	HARRIS IT SERVICES	NAICS on CAR: 517110	$52.4M
			$127.3M

CURRENT CONTRACT	**CONTRACTOR**	**NAICS**	**VALUE**
HTC711-17-C-D001	JACOBS	NAICS on CAR: 541513	$92.6 (est)

Based on a comparison between the former contracts and the new ITSM contract, early indications suggest that there is an approximate $34.7M cost avoidance in bundling. While the current contract is in its early stages, this is the best determination. These figures are not necessarily reflective of work that was removed from or added to the latest contract. However, the majority of the work is inclusive of this bundled requirement.

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

BENEFITS CALCULATION METHOD

USTRANSCOM's Command, Control, Communications, and Cyber System Directorate (TCJ6) examined the various areas that would generate savings by instituting this transformational initiative. The greatest efficiencies realized are in the specific areas of: Task Order Management, System Administration Support, Database Administration, Risk Management Efficiency and Security Operations. Based on our analysis in these areas, USTRANSCOM computed an anticipated cost savings of approximately $11.2M over the life of the contract.

Figure 1. Task Cost Comparison summarizes those cost savings.

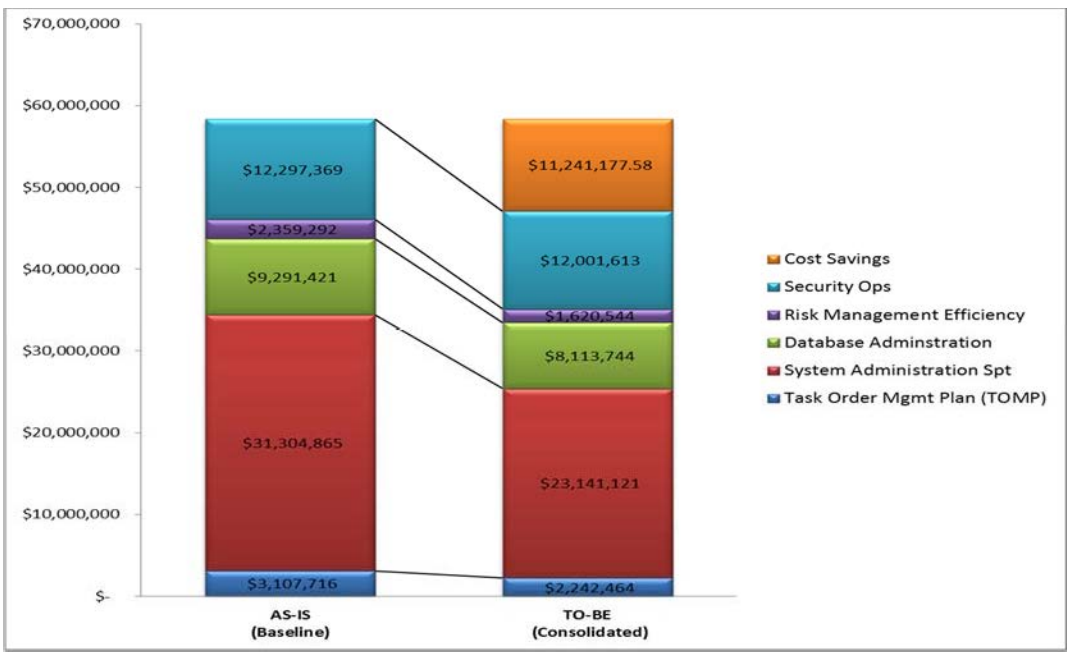

Figure 1

When the Government bundles related services, the suppliers are able to reduce the number of personnel needed to provide those services through the use of multi-skilled, or cross-trained, technicians who can perform other jobs when their primary specialties are not needed.

The consolidated approach will net a reduction of 21,478 labor hours in contractor support required to provide the same or better level of support as do the three single contracts.

Bundling multiple services at a site rather than contracting for them separately, the supplier performs those services using fewer personnel because it needs a smaller pool of "filler," or backup, staff during work breaks, vacations, or sick days. A good example is combining IT Operations Management and Service Desk into a 24x7 work center to perform after hours Service Desk functions. IT Ops Management and Service Desk tasks were under two separate contracts and we were unable to share these resources efficiently. The provider employed enough people in each work center to fill each qualified position full time, as needed. By consolidating, this enabled shared resources between IT Ops Management and the Service Desk. The Government potentially saves an estimated $750K over the life of the contract. Given what is known today, the estimated savings captures tangible benefits vice intangible benefits over the life of the proposed contract.

Based on the successful contractor's proposed approach and pricing, the cost avoidance increased, based on today's projections, to $34.7M.

(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

As identified in the USTRANSCOM Bundling Analysis, conducted in 2015, it was determined the entire requirement for IT service support would be procured under a single contract. The complexity and diversity of the contract's requirements, and its size and aggregate dollar amount, was unsuitable for award to a small business. The Contracting team conducted thorough market research and issued a Request for Information (RFI) that resulted in the determination that no small business (there were 41 documented responses to the RFI) was entirely capable of handling the volume and scope of the ITSM Enterprise Support effort. At contract award, the total estimated dollar value to be conducted by small business is $35,721,914 (of $89,317,777 total value). Two of the three contracts consolidated by the new ITSM Contract were awarded to small businesses. Total value of these contracts, inclusive of any/all extensions to contract are identified below:

RX JOINT VENTURE, LLC - Total Contract Value: $18.9M AGILE

DEFENSE, INC - Total Contract Value: $56M

While the Department of Defense goal for subcontracting is 34.5% (for FY16), as assigned by SBA, USTRANSCOM identified a 40% goal for subcontracting in the Request for Proposal. In their most recent eSRS reporting, Jacobs, prime contractor showed they exceeded their small business goal of $3.868M, claiming $4.032M in small business dollars. USTRANSCOM will continue to monitor Jacobs' performance as they continue to work on improving their commitment to goals set for those areas in which they met, but specifically for those they did not meet as identified below:

- WOSB
- HUBZone SB
- VOSB SDVOSB

(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.

While USTRANSCOM did a full review of all capable vendors, it was determined that no small business capability existed to support a set-aside for full support. Taking DoD small business goals and USTRANSCOM small business goals into consideration, the Government laid out a plan to capture small business participation. As a result of these goals, and as stated in the RFP and the resultant plan incorporated into the contract now awarded to Jacobs, the following Subcontracting Goals are being tracked by USTRANSCOM Contracting Officer.

The impact on the specific small business concerns impacted cannot be determined yet, but DoD and USTRANSCOM will continue to monitor this in future years. Using only the information reported in www.sam.gov, the following is a comparison of the metrics pulled from the Contract Action Report (CAR) at the original time of award of the identified contract/task order to the last CAR performed:

PREVIOUS CONTRACT/ TASK ORDER	CONTRACTOR	# of REPORTED EMPLOYEES (original[1]/final[2])	REPORTED ANNUAL REV (original/final)
HTC711-11-F-D038	RX JOINT VENTURE	150/20	$1 / $14.067M
HTC711-11-F-D051	AGILE DEFENSE	85/94	$7.045M / $9.488M

The current Contracting Officer recently monitored industry impact by reviewing the DoD dollars awarded under the North American Industry Classification code (NAICS) 541512. In Fiscal Year (FY) 16 (1 October 2015 – 30 September 2016), DoD awarded $2.7B in the NAICS code. This number was compared to the total dollars awarded to small business concerns from transition period beginning on 1 March – 30 September 2017 which resulted in $5.3B. To date of review, results do not indicate a negative impact for small business concerns under NAICS 541512.

NAICS	Fiscal Year	SB Awarded	DoD SB Eligible	SB Performance
541512	2016	$2,667,934,827.09	$13,075,045,246.78	20.40%
541512	2017 (1 Mar – 30 Sep)	$5,303,089,594.63	$17,622,312,930.63	30.09%

[1] Based on the CAR information provided on the original task order award (circa 2011/12)
[2] Based on CAR information from the last modification executed against the task order (circa 2017)

Attachment 2: Bundled Requirement from FY16

Army Contracting Command – W52P1J-16-C-0074

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

This current action seeks to align, under one contracting umbrella, four separate contracts in support of Army CIO/G-6. As such, the current action constitutes a "consolidation" as defined by DFARS 207.170-2. Furthermore, because two of the requirements (CIAV and Cyber Registration and Authority) were performed by small businesses at the time of the initial contract award, and since market research suggests that the aggregate scope and magnitude of this consolidated contract are likely beyond the reach of any small business' capacity or resources, this current action meets the definition of a "bundled" acquisition in accordance with FAR 2.101.

The Small Business Act directs that an agency shall avoid a bundling of contract requirements that precludes small business participation as prime contractors unless the bundling is necessary and justified. 15 U.S.C. §631 (j)(3) (2013). Measurably substantial benefits may include, individually or in any combination or aggregate, cost savings or price reduction, quality improvements that will save time or improve or enhance performance or efficiency, reduction in acquisition cycle times, better terms and conditions, and, any other benefits. The agency must quantify the identified benefits and explain how their impact would be measurably substantial…the agency may determine bundling to be necessary and justified if, as compared to the benefits that it would derive from contracting to meet those requirements if not bundled, it would derive measurably substantial benefits equivalent to-- 5% of the estimated contract or order value (including options) or $9,400,000, whichever is greater, if the value exceeds $94,000,000.

Pursuant to DFARS 207.170-3, dealing with consolidation, savings in administrative or personnel costs can also be included as benefits if the total amount of cost savings is expected to be substantial to the total cost of the procurement.

The estimated total contract value (including option years and a six month option to extend via Clause 52.217-8) for this procurement is $133,627,704.98; as such, this bundling may be determined to be necessary and justified if the benefits derived from said bundling would equal or exceed $9,400,000.00.

Market research reveals that the Government is likely to achieve measurably substantial benefits if it consolidates and bundles these services, and that consolidating and bundling is therefore necessary and justified to meet its needs. The anticipated benefits include the operational efficiencies and price/cost reductions explained herein.

Operational Efficiencies & Similar Benefits

Increased Efficiencies from Consolidating four contracts into one:

The only reasonable alternative to consolidation is to maintain four separate stand-alone contracts. While this approach is adequate, it is not in the Government's best interest. To solicit, compete, and award four separate contract actions for the same customer for services that are similar in scope is inefficient. This approach would increase administrative burden (both pre and post award), reduce potential economies of scale, and decrease consistency in the quality of services provided. These inefficiencies could potentially lead to higher contract costs, slippage of critical milestone schedules, and quality control redundancies.

The consolidation of the four requirements will reduce the overlap in functional requirements and will result in efficiencies gained from cross-utilizing or cross-training personnel, as well as additional management and training efficiencies.

As demonstrated above, there are numerous operational efficiencies and other similar benefits (in addition to the savings identified in the Cost Savings Summary) that would be achieved by consolidating the four requirements.

The consolidated and bundled contract will facilitate more efficient task coordination by putting into place one prime vendor responsible for establishing common performance planning and execution of services, without cross-contractor interdependencies. Combining the efforts will reduce the operational boundaries inherent with multiple contract awards, will eliminate competing priorities between vendors, will eliminate the condition of one contractor being reliant upon another, and will alleviate any potential issues with a lack of cooperation amongst the vendors, leading to an overall improvement of the delivery of services.

Consolidating will allow for a unified process by which any of the full scope of services available under the contract can be requested, and it will provide more streamlined and standardized services, as they will all be managed by one vendor. This uniformity in services will lead to quicker resolution of problems and will decrease delays in services across the board; there will be less variance in resolution meantime and less time wasted following incorrect paths for problem solving and in hand-off between different support groups. Consolidation will lead to more efficiency in providing services in general, as the single vendor will be able to prioritize tasks, provide an increased collaboration and knowledge management for support staff, and initiate a more cohesive incident management program (which will allow for easier execution of services, tracking of end-to-end resolution of customer issues, and escalation of issues beyond the vendor's capabilities). Combining the services will increase staff efficiency, enabling each staff member to be more productive. It will allow labor resources to be more efficiently applied through cross utilization, resulting in less rescheduling and overtime.

Having the services consolidated and managed by one vendor will also make systematic problems more transparent, allowing for easier identification of service gaps and opportunities for improvement, resulting in increased quality of service and efficiencies across the entire workflow. A single vendor can more easily apply reusable processes that enable organizational maturity, and yet also apply lessons learned on issues that stretch across the entire spectrum of services.

Overall, consolidating the requirements will provide for a more efficient use of resources.
It will enable the agency to optimize contractor manpower by prioritizing support to maximize aggregate usage, and will reduce duplication of efforts as well as customer downtime and costs.

It will facilitate cross-training among a larger team of support personnel, and provide for a single set of standards.

Efficiencies in contract administration will also be realized. Management of one contract rather than four requires less Government resources and time. A single contract award will provide better contractor accountability as all service is provided by the same contract.

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

If a proposed bundling gives the Government an opportunity to avoid making a future investment, it creates a cost-avoidance savings. The cost avoidance can arise from either an internal or an external source. As stated previously, the acquisition strategy team expects substantial efficiencies to be gained by consolidating all four requirements. As a result of the consolidation, the team also expects decreases in administrative costs and personnel cost reductions. These cost savings are internal to the Government and generally are attributable to reductions in the procurement and contract administration costs of the service.

Eliminating steps in the acquisition process and eliminating paperwork associated with contract administration are examples of administrative cost reduction. A reduction in the number of contracts and vendors would provide for additional savings. For example, consolidating requirements with one vendor would eliminate the need to solicit, negotiate, award and manage four of the current five awards. Additional administrative efficiencies and savings would be achieved under this strategy in terms of reduced procurement-related operating expenses and decreased contract performance monitoring. This would also result in time savings in day-to-day Government contract oversight. Bundling these requirements would also eliminate time spent in multiple IPRs, CPARS inputs, and the coordination of contract gaps and seams. An added benefit is that the Government would spend less time and money overseeing administrative details and more time focused on providing customer support and interaction.

Simplifying the acquisition process by bundling these requirements would also result in a reduction in acquisition cycle time; acquisition cycle time is the amount of time that elapses between the identification of a requirement and the delivery of the service to the end user.
Reducing acquisition cycle time by simplifying the acquisition process is likely to result in measurably substantial benefits. If, for example, an acquisition for these services is consolidated/bundled under an award to one contractor who satisfies requirements more rapidly, a number of advantages may accrue: resolution time may decrease; the amount of time spent in a separate purchase may decline; and, costs associated with these functions may diminish.
Reduced administrative costs and shortened procurement and fulfillment cycles can deliver big savings.

It is projected that bundling would also result in other substantial cost savings stemming from the efficiencies discussed earlier: increased flexibility with maintenance operations, advanced planning and scheduling, learning curve efficiencies gained on repetitive tasks, and leveraging costs over larger work volumes.

These savings will be realized in part with the elimination of redundant services, which, as it follows, will result in a decrease in resources expended on the management of the contractor workforce involved in those redundant vendor programs; savings will also be realized through the reduction of contractor staff resulting from personnel economies of scale achieved by moving to a single, consolidated contract.

Cost Savings Summary

There is a substantial cost difference between the consolidated effort and the current four individual contracts, as demonstrated below. The consolidated effort can be procured at a lower cost for the following reasons: lower personnel costs due to increased staff efficiencies, lower contractor administrative costs, and lower procurement costs.

The Independent Government Cost Estimate (IGCE) was derived by utilizing the labor categories and quantities of full time equivalents currently being utilized on the four stand-alone contracts. The IGCE was originally created with a budgetary focus by the technical team at CIO/G-6. However, CIO/G-6 is confident that consolidation of the four stand-alone contracts will result in significant cost savings by creating the opportunity for vendors to propose creative strategies to fulfill contract requirements more efficiently. This will eliminate redundant quantities within the Full Time Equivalents (FTEs) for selected labor categories. Based on this analysis, the government expects to save approximately $10,500,000 over the life of the contract by consolidating these four contracts into one contract.

As illustrated above, bundling will result in substantial cost savings and operational efficiencies. For bundled acquisitions, the litmus test for proceeding with the acquisition is whether the benefits derived from the bundled acquisition are "measurably substantial" as compared with not bundling the requirement. To meet this threshold, the benefits must equal or exceed 5% of the estimated contract value (including options) or $9,400,000, whichever is greater. See FAR 7.107(b). For this acquisition, the estimated bundled contract value including options is $133,627,704.98 for a one-year base period with four, one-year option periods plus a six-month option to extend; 5% of that value is $6,681,385.20, so a realized cost savings of
$9,400,000 will need to be utilized in order for the bundling methodology to make good business sense and to be considered measurably substantial.

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

See above in section (bb).

(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

SUBJECT: Small Business Subcontracting Plan for Booz Allen Hamilton (BAH), Solicitation W52P1J-16-R-0047.

1. The subject subcontracting plan has been reviewed IAW FAR 19.7, FAR Clause 52.219-9, DFARS 219.7, AFARS 5119.7, and AFARS Appendix DD. It is the opinion of this office that the above mentioned plan is in compliance with above regulations.

2. Per BAH Volume II, Factor II Management Approach, Subcontracting Plan, Exhibit A (referred to as Master Subcontracting Plan), does the plan:

a. Contain a policy statement or evidence of internal guidance to company buyers that commits to complying with the Small Business Act (Public Law 99-661, Section 1207 and Public Law 100-180)?

Yes – Master Subcontracting Plan, page 1, paragraph 1

b. A separate goal for all socioeconomic categories including SB and SDB? (FAR 19.704(a)(1) and FAR 52.219-9(d)(1) and (2))

Yes – Master Subcontracting Plan, Attachment A, page 2.

c. A statement of the total dollars they are planning to subcontract overall and total dollars they are planning to subcontract to small business programs:

Total amount to be subcontracted: $56,906,686.73. Total amount to be subcontracted to small businesses: $26,550,747.61. Total percentage of subcontracting going to small business: 46.7%.

d. A description of the principal types of supplies and services to be subcontracted and identification of the types planned for small business subcontracting:

Yes – Master Subcontracting Plan, Attachment A, page 3-4.

e. A description of the method used to develop subcontracting goals: Yes –

Master Subcontracting Plan, Attachment A, page 1.

f. A description of the method used to identify potential sources for solicitation purposes: Yes –

Master Subcontracting Plan, Attachment B.

g. A statement that indirect costs are either included or excluded from the proposed goals and, if included, how they will be prorated? (FAR 52.219-9(d)(6))

Yes – Master Subcontracting Plan, Attachment A, page 1

h. The name of the company employee responsible for administration of plan and employee's duties? (FAR 19.704(a)(7) and 52.219-9(d)(7))

Yes – Master Subcontracting Plan, page 3, paragraph D

i. A description of efforts to ensure that SBs and SDBs have an equitable opportunity to participate in the acquisition? (FAR 52.219-9(d)(8))

Yes – Master Subcontracting Plan, page 4, paragraph E

j. A statement affirming intent to comply with subcontracting "flowdown" provisions? (FAR 19.704(a)(4) and 52.219-9(d)(10))

Yes – Master Subcontracting Plan, page 4, paragraph G A statement affirming willingness to cooperate in studies and to provide reports? (FAR 19.704(a)(10)(i) and 52.219-9(d)(10))

Yes – Master Subcontracting Plan, page 4, paragraph D

k. A recitation of the types of records maintained to demonstrate procedures adopted to comply with the requirements and goal in the plan? (FAR 52.219-9(d)(11))

Yes – Master Subcontracting Plan, page 4, paragraph H

l. A separate goal for the basic contract and, if applicable, each option? (FAR 19.704(c))

Yes – Master Subcontracting Plan, Attachment A, page 2 (acknowledges base and all option years.

3. The offeror provided their overall small business activity for 5 years including FY09 – FY13.

4. The Sub-Contracting Proposal (Volume IV) outlined the small business and socio-economic participation percentages and dollars.

5. The offeror also provided a Contract Participation Matrix (Attachment 0005 of the RFP), which outlined the proposed approach to meet or exceed the small business participation plan at Volume IV (above). The Contract Participation Matrix outlined the following small business and socio-economic participation percentages and dollars:

SDB - $15,612,070.86, 20.85%; WOSB - $7,453,841.24, 9.95%,; HUBZone - $8,158,229.62, 10.9%; VOSB - $19,096,906.37, 25.50%; SDVOSB - $10,938,676.75, 14.61%.

6. It should be noted that the difference between the two is Volume IV is the contractually binding Small Business Participation Plan. Attachment 0005 is the proposed approach to meet or exceed the Small Business Participation Plan. In other words, the contractor will be held responsible to the contractual baseline requirements identified in Volume IV's Sub-Contracting Plan. Attachment 0005 outlines the vendor's proposed approach to meet the Small Business Participation proposal in the absence of any change to contract requirements.

7. With assistance provided by the Army Sustainment Command – Small Business office, the Small Business Specialist and PCO have concluded that, with the exception of the differences between Volume IV and Attachment 0005 socio-economic dollars and percentages, all aspects of the offeror's Sub-Contracting Plan is acceptable. Thus, the difference between Volume IV and Attachment 0005 socio-economic dollars and percentages is the only aspect still in question. However, Section M.11.1.a of the RFP states, "The Small Business Subcontracting Plan will not be evaluated on an adjectival basis. Rather, this plan will be evaluated to ensure the Offeror's proposed plan is consistent with its Small Business Utilization Plan." It is the determination of the undersigned PCO that the Offeror is consistent in that, regardless whether they perform to the dollars and percentages of Volume IV or Attachment 0005, they are exceeding US Government requirements. IAW FAR 19.705, it is the PCO's responsibility to review, evaluate, and determine if a Sub-Contracting Plan is acceptable. It is the opinion of the undersigned PCO that the plan is in compliance with the regulations and is approved.

8. The POC is the undersigned at CCRC-GC, extension 25300, email: derek.m.schnorrenberg.civ@mail.mil.

Derek M. Schnorrenberg, Procuring Contracting Officer

(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.

Pursuant to FAR 7.107(e), if "substantial bundling" (which, for the Department of Defense, is defined under FAR 7.104(d)(2) as bundling that results in a contract valued at $8 million or more) is involved in the proposed action, the acquisition strategy must also include an assessment of the specific impediments to participation by small business concerns as contractors which could result from the bundling. The Small Business Jobs Act further requires that, for contract requirements with a total value exceeding $2,000,000, the acquisition strategy must also (in addition to identifying any negative impact by the acquisition strategy on contracting with small business concerns) ensure that steps will be taken to include small business concerns in the acquisition strategy. 15 U.S.C. § 657q(c)(1).

It is recognized that statutory and regulatory provisions relating to contract bundling emanated from a Congressional concern about the impact of these types of acquisitions on small business participation in federal procurement. With that being said; however, the agency believes that consolidating and bundling these particular requirements will not actually have a negative impact on small business, but rather will actually lead to an increase in overall small business participation. The agency has given careful consideration to increasing small business concerns' ability to participate in this solicitation and specifically chooses to solicit this as a full and open competition to gain the widest small business participation possible.

Given that the definition of bundling leads to those requirements that specifically will displace small businesses or will make small business participation unlikely, the regulations provide additional requirements for those bundled acquisitions that involve substantial bundling (over $8,000,000). Specifically, because the cumulative maximum potential value, including options, of the contract is greater than $8,000,000, additional documentation—a small business plan—must be provided prior to proceeding with the solicitation. The intent of the action plan is to mitigate the effects of the bundling upon small business and to enhance and encourage small business participation at both the prime contractor and subcontractor levels.

In coordination with the Small Business Office, the procurement strategy was structured, as much as practical, to facilitate competition by, and provide for maximum participation by, small businesses. The solicitation for these services includes evaluation criteria that encourages teaming and joint ventures among small businesses, as well as teaming between large and small businesses and aggressive small business subcontracting. This is in the form of language contained in the solicitation and the small business participation plan requirement which is also part of the solicitation.

In market research discussions with small businesses, the Government has consistently heard from small businesses that they are relieved this acquisition is not being set aside for small business due to the size and complexity of the requirement and the resources needed to adequately maintain this requirement. Small businesses become experts in their specific niche of the business arena, and can efficiently provide the services within this niche as a subcontractor to the prime under this requirement. The prime vendor is solely responsible for the services provided under this consolidated contract, therefore relieving small businesses from that burden.

The solicitation has a significant preference for small businesses, and utilizes mandatory minimum small business subcontracting provisions and incentives to encourage the successful contract recipient to, as a minimum, retain the current level of participation by small business providers. The agency promotes subcontracting to small businesses by including a separate evaluation factor in the solicitation to encourage such behavior.

It is noted that FAR 15.304(c)(3)(ii) and (c)(5) state that for solicitations involving bundling that offer a significant opportunity for subcontracting, the solicitation must designate the following factors as significant factors in evaluating offers: a factor that is based on the rate of participation provided under the subcontracting plan for small business in the performance of the contract; and, for the evaluation of past performance of an offeror, a factor that is based on the extent to which the offeror attained applicable goals for small business participation in the performance of contracts.

The Government evaluated the extent (percentage based on total contract value) to which a Offeror identifies and commits to utilizing Small Business (SB) in the performance of the proposed contract as it relates to the following goals, which were coordinated and agreed to by both the Army requiring activity and the local Office of Small Business Programs: SB – 35%; Small Disadvantaged Business – 5%; Women Owned Small Business – 5%; HUBZone – 3%; Veteran Owned Small Business – 5%; and, Service- Disabled Veteran-Owned Small Business – 3%. An aggressive subcontracting plan with the prime contractor was negotiated. The accepted subcontracting plan was incorporated into, and made a material part of the contract, and the contract provides for liquidated damages when the contractor fails to make a good-faith effort to comply with its subcontracting plan. Additionally, the Government intends to consider the contractor's achievement of its identified aggressive small business subcontracting goals when considering decisions to exercise an option to extend the term of the contract.

The Contractor Performance Assessment Reporting System (CPARS) will be used to document the contractor's performance in small business subcontracting. The CPARS offers a consistent means for tracking a contractor's performance in meeting small business subcontracting plans and makes this information easily accessible to other Contracting Officers.

Regular monitoring of the prime contractor's subcontracting performance will be adhered to as provided in the contract. This strategy ensures there are no surprises at the end of the period of performance. Post-award, periodic face-to- face meetings will be established with representatives from the prime contractor, along with the Contracting Officer and local Small Business Specialist. Recommendation will be for meeting attendance by not only the prime contractor's small business representative, but also a senior member of its project management organization. This should signal the importance of meeting subcontracting goals to the large business prime contractor. In the early stages of the contract, meetings with the prime contract will occur frequently (e.g., no less than monthly) to ensure that the prime contractor gets off to a good start toward meeting subcontracting goals. A checklist from the subcontracting plan will be created as a road map for the meetings to monitor compliance. Dialogue early on in the process will provide the prime contractor with an opportunity to improve performance, if necessary, before final assessments are given. Progress (or lack thereof) will be reported to the contractor's senior management. This strategy helps ensure that the prime contractor starts off on the right footing.

The impact on the specific small business concerns impacted cannot be determined yet, but DoD will continue to monitor this in future years. However, in FY 2017, DoD awarded over

$1.96 billion to small businesses in NAICS code 541512 – Computer Systems Design Services, the NAICS code associated with the small business-held contracts impacted by this bundling effort. The small business participation rate for this NAICS code was over 37 percent in FY 2017.

NAICS	DoD FY17 SB awarded	DoD FY17 SB Eligible	NAICS SB Performance FY17
541512	$1.96 billion	$5.23 billion	37.41%

The contractor reported dollars subcontracted from the inception of the contract to the report date of September 30, 2017, via the submission of the Individual Subcontracting Report in the government's electronic subcontracting reporting system. As shown below, the contractor is on target with meeting the goals contained in the subcontracting plan:

W52P1J-16-C-0074	Whole Dollars (Goal)	Percentage of Total Subcontract Awards (Goal)	Whole Dollars (Actual)	Percentage of Total Subcontract Awards (Actual)
SMALL BUSINESS CONCERNS	$26,550,748	46.6	$2,606,634	48.8
LARGE BUSINESS CONCERNS	$30,355,939	N/A	$2,731,628	51.2
TOTAL	$56,906,687	100	$5,338,262	100
SMALL DISADVANTAGED BUSINESS (SDB) CONCERNS	$3,743,792	6.5	$1,466,182	27.5
WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS	$3,743,792	6.5	$521,125	9.8
HUBZone SMALL BUSINESS (HUBZone SB) CONCERNS	$2,246,276	3	$945,057	17.7
VETERAN-OWNED SMALL BUSINESS CONCERNS	$3,743,792	5	$2,085,509	39.1
SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS	$2,246,276	3	$1,140,452	21.4

Attachment 3: Bundled Requirement from FY16

Defense Logistics Agency – SPE7LX-16-D-0125

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

Market research did not reflect that at least two small businesses possess the capability of performing the requirements for an acquisition for Industrial Product-Support Vendor (IPV) for the
U.S. Army customer Red River Army Depot (RRAD), Texarkana, Texas or optional industrial sites. The mission requirement to support the repair line for this IPV contract would likely overburden a small business, and thus have an adverse impact on line maintenance and/or customer support.

This bundled contract provides total supply chain management for parts/bench stock to support an Army maintenance depot. The current demands for these items has remained high and manual purchase requests will be reduced by the automation of this contract, thus reducing the lead time and workload. This bundled contract provides the opportunity to participate in a supplier partnership for broader based customer support in accordance with DLA's strategic plan. DLA will be proactive in meeting customer delivery requirements by establishing a corporate contract instead of relying on spot buys. The potential cost avoidance is estimated at $10.3 million.

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

DLA's total cost savings analysis shows the potential for $10.3 million dollars over the life of the contract. The required analysis of bundling benefits is covered by Small Business Administration (SBA) regulation and the Federal Acquisition Regulation (FAR) 7.107. The savings required is 10% of the contract value at $94 million or less and the greater of 5% or $9.4 million savings for contract value over $94 million. Therefore, for this contract, DLA's cost savings of $10.3 million exceeds the required cost savings of $9.4 million. The following is an excerpt from DLA's approved business case analysis which details the cost savings estimate:

VSRM Cost Analysis

The expected costs for the scenario were analyzed and are presented using the Vendor Stock Retention Model (VSRM) maintained by DLA Office of Operations Research and Resource Analysis (DORRA). To determine the anticipated cost avoidance of this proposed contract, the VSRM scenario was run comparing spot buys for stock vs. long-term contract (LTC) for Customer Direct delivery to Red River Army Depot (RRAD) (split support).

Costs are estimated for the list of 741 Contract Line Item Number (CLIN) 1 parts based on historical data. Although the VSRM analysis began with 741 NIINs, 41 items were excluded during model pre-processing because there was no DLA historical data. This resulted in 700 items as input to the VSRM. Exhibit 4 shows the VSRM Total Report that compares DLA support with a long term contract for Customer Direct (CD) delivery with the alternative, DLA support with spot buys for stock.

VSRM Cost Analysis—Spot Buy vs. LTC for RRAD CD

Scenario:	RESULTS	**Duration (Years):**	5
Discount Rate:	0.60%	**Perspective:**	ICP - variable costs only
Holding (Obsolescence) Rate:	5.02%	**Project:**	SAIC
Treasury Rate:	2.40%	**Comparison:**	Spot buy for stock vs. split support
Major Contract Threshold:	$150,000	**Stock Receipt Frequency Adjustment Factor:**	1.00
Delivery Order Setup Cost:	$20.84	**Stock Issue Frequency Adjustment Factor:**	1.024
Small Purchase Setup Cost:	$441.55		
Large Purchase Setup Cost:	$2,084.80		

			FIXED	**VARIABLE**
Inventory Frequency:	M	**DFAS Invoice Cost (EBS):**	$0.00	$0.52
Individual or Group Invoice:	G	**DFAS Invoice Cost (DCMA/MOCAS):**	$0.00	$17.80
FOB Origin:	N			
		Net Landed Cost Throughput:	63%	37%
		Net Landed Cost Transportation:	0%	100%

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#NSNs: **700 (out of 700 original NSNs)**

Annual Sales at Cost: **$1,527,699**

Beginning Assets: **$399,841**

	Cost Avoidances			**Costs**	
	Forward	**Reverse**		**Base**	**Alternate**
Material Cost:	**$2,141,388**	**$(2,141,388)**		**$8,136,357**	**$5,994,969**
Depot Throughput:	**$348,166**	**$(348,166)**		**$1,226,713**	**$878,547**
Transportation:	**$154,322**	**$(154,322)**		**$702,697**	**$548,374**
DFAS Cost:	**$(8,505)**	**$8,505**		**$2,866**	**$11,371**
Setup Cost:	**$2,062,093**	**$(2,062,093)**		**$2,433,544**	**$371,451**
Asset Finance:	**$22,012**	**$(60,012)**	F	**$109,170**	**$87,158**
			R	**$92,178**	**$32,166**
Holding (Obsolescence) Cost:	**$46,041**	**$(125,525)**	F	**$228,347**	**$182,306**
			R	**$192,806**	**$67,281**
Storage Cost:	**$2,491**	**$(2,491)**		**$20,605**	**$18,114**
	===============	===============		===============	===============
Totals:	**$4,768,008**	**$(4,885,493)**	F	**$12,860,298**	**$8,092,290**
			R	**$12,807,766**	**$7,922,274**
Break Even Percentage:	**32.3%**	**-45.8%**			

Initial cost to reconstitute stock (If no initial assets, Safety Level + 1/2 EOQ): **$955,826**

Using default parameter values and a five-year life, the VSRM estimates $4.8 million in cost avoidance over five years if DLA uses the proposed LTC versus spot buy contracts.

Other Vendor Fees

The VSRM involves the following vendor fees:

CLIN 0006 - Start-up/Transition Cost for Implementing in 30 days $18,202.
CLIN 0007 - There are approximately 600 inactive National Stock Numbers (NSNs) at the Contractor's Warehouse. The five-year fee is $362,520.

Post Award Management

Exhibit 5A identifies the resources dedicated to RRAD for the post award activities under the current contract which are expected to be similar for the proposed contract.

DLA Post Award Resources Current and Proposed

Existing IPV - Post Award Labor Costs (Government)							
Position	**Grade**	**Number of personnel per position**	**Annual Salary at Step 5 no benefits**	**Annual salary including benefits per person**	**Number of months per year working on IPV**	**Total Annual Labor Costs**	**Total Five Yeard Labor Cost**
Divison Chief	GS -14	1	$ 114,722	$ 144,435	1.5	$ 18,054	$ 90,272
Contracting Branch Chief	GS-13	1	$ 97,092	$ 122,239	3	$ 30,560	$ 152,799
Industrial Branch Chief	GS-13	1	$ 97,092	$ 122,239	3	$ 30,560	$ 152,799
Senior Contracting Chief	GS-13	1	$ 97,092	$ 122,239	3	$ 30,560	$ 152,799
Basic Contracting Administrator	GS-12	1	$ 81,644	$ 102,790	12	$ 102,790	$ 513,949
Program Manager	GS-12	1	$ 81,644	$ 102,790	6	$ 51,395	$ 256,974
Supply Planner	GS-12	1	$ 81,644	$ 102,790	12	$ 102,790	$ 513,949
Product Assurance Specialist	GS-12	1	$ 81,644	$ 102,790	6	$ 51,395	$ 256,974
Buyer	GS-11	1	$ 68,114	$ 85,756	3	$ 21,439	$ 107,194
DLA Finance Employee	GS-12	1	$ 81,644	$ 102,790	0.5	$ 4,283	$ 21,415
Order Fulfillment	GS-12	1	$ 81,644	$ 102,790	0.5	$ 4,283	$ 21,415
Analyst	GS-12	1	$ 81,644	$ 102,790	1.5	$ 12,849	$ 64,244
Legal/Lawyer	GS-13	1	$ 97,092	$ 122,239	0.5	$ 5,093	$ 25,466
Legal/Lawyer	GS-12	1	$ 81,644	$ 102,790	0.25	$ 2,141	$ 10,707
						$ 468,191	$ 2,340,955

If the current contract is not awarded and support returns entirely to DLA spot buys, the required personnel are estimated in Exhibit 5B.

Exhibit 5B. DLA Post Award Resources Spot Buy Support

		DLA Post Award if return to Spot Buy support					
Position	**Grade**	**Number of personnel per position**	**Annual Salary at Step 5 no benefits**	**Annual salary including benefits per person**	**Number of months per year working on IPV**	**Total Annual Labor Costs**	**Total Five Year Value Per Position**
Basic Contracting	GS-12	1	$ 81,644	$ 102,790	8	$ 68,527	$ 342,633
Buyer	GS-11	1	$ 68,114	$ 85,756	1	$ 7,146	$ 35,731
Supply Planner	GS-11	1	$ 68,114	$ 85,756	2	$ 14,293	$ 71,463
						$ 89,965	$ 449,827
					Net IPV Post Award:		$ 1,891,128

The difference in post award resources for the administration of the IPV contract vs. spot buys is $1,891,128.

Cost Analysis Summary

As shown in Exhibit 4, the VSRM estimates $4.8 million in cost avoidance over five years if DLA uses the proposed LTC versus spot buy contracts with an LTC for the initial group of IPV CLIN 0001 items. However, the model does not include the following costs so the cost avoidance is understated:

- line side delivery to the mechanic or artisan
- bin management
- forecasting
- obsolescence management
- dedicated program customer service representatives
- kitting

The model also does not include post award costs to administer this contract which are estimated to be $1.9M higher than if spot buys alone were used to support these demands.

There is uncertainty in the number of demands forecast for these items. Per the COR Supervisor at RRAD, the production lines changes on a continual basis, therefore, future funding and bin fill requirements are unknown. If demand is different than that experienced over the last three years, the expected cost avoidance from the VSRM simulation would vary accordingly.

It is expected that the Army will experience an avoidance of costs by the award of this contract. RRAD representatives have stated that Army personnel who were performing the tasks as required by this contract prior to the current IPV contract award have been reassigned and so are no longer available to perform this work. Army representatives have determined that approximately 23 personnel at GS-09, GS-11, WL-7 and WG-7 (Federal employee grade/rank classifications) would be needed to assume IPV-like duties at RRAD were this contract not in place. This would include a program manager, maintenance management specialists, inventory management specialists, and material expediters. Using average salaries and benefit rates, the estimated annual cost avoidance is $1.2 million. Additionally, vehicles required to transport product around the depot amount to a first year cost of $92,000. These costs amount to approximately $6.2 million over the five-year life of the proposed contract. Additionally, from the Army's perspective, the DLA cost recovery rate that they currently pay under the IPV contract would increase approximately 20% if support were to be entirely through spot buys instead. The DLA cost recovery rate cost avoidance to the Army results in a $1.6M cost avoidance over five years. The total five-year cost savings is summarized in the table below.

Total Five-Year Cost Avoidance

Five-Year Cost Avoidance	
DLA Supply Chain	$ 4,768,008
Depot Supply Chain	$ 6,211,208
DLA Cost Recovery	$ 1,627,271
Start-up/Transition Cost	$ (18,202)
Inactive Army NSNs at the Contractor's Warehouse	$ (362,520)
DLA Post Award personnel	$ (1,891,128)
Total	$ 10,334,637

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

"Milestone C" is at the end of year three of the contract. At that time, DLA will conduct a retrospective audit and reconcile the actual cost savings with the projected 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.

The agency's small business subcontracting plan requires maximizing small business participation as subcontractors based on the total value of the contract.

The total dollar value that was awarded on this contract was $14,847,561.25 million dollars. Per the Subcontracting Plan, small businesses will be awarded 60% of the contract at a value of $8,893,753.00 million dollars over the life of the contract.

For comparison, for the past three years the small business dollars associated with the previous contract were $1.8 million dollars or 58% of the total contract value of $3.9 million dollars.

(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.

One of the small businesses that indicated they would likely submit an offer had successfully performed supply chain management tasks, but they later clarified they were not interested in submitting an offer.

The other small business vendor had performed total supply chain management tasks, however they had financial concerns, forecasting troubles, and a lack of experience with bin management which called into question their capability to perform the requirements of this contract.

While there were two small businesses that were interested in this acquisition, two or more small businesses have not demonstrated the capability to successfully perform the subject requirement.

Based on the information set forth above, it was the Contracting Officer's recommendation that these procurements be unrestricted because there is not a reasonable expectation that offers will be obtained from at least two responsible small business concerns at fair market prices.

The impact on the specific small business concerns impacted cannot be determined yet, but DoD will continue to monitor this in future years. However, in FY 2017, DoD awarded over $144.0 million to small businesses in NAICS code 332722 – Bolt, Nut, Screw, Rivet, and Washer Manufacturing, the NAICS code associated with the small business-held contracts impacted by this bundling effort. The small business participation rate for this NAICS code was over 76 percent in FY 2017.

NAICS	DoD FY17 SB awarded	DoD FY17 SB Eligible	NAICS SB Performance FY17
332722	$144.0 million	$188.0 million	76.60%

The contractor reported dollars subcontracted from the inception of the contract to the report date of September 30, 2017, via the submission of the Individual Subcontracting Report in the government’s electronic subcontracting reporting system. As shown below, the contractor is on target with meeting the goals contained in the subcontracting plan:

SPE7LX-16-D-0125	Whole Dollars (Goal)	Percentage of Total Subcontract Awards (Goal)	Whole Dollars (Actual)	Percentage of Total Subcontract Awards (Actual)
SMALL BUSINESS CONCERNS	$8,893,753	60	$641,751.00	88.2
LARGE BUSINESS CONCERNS	$5,929,168	N/A	$85,895.00	11.8
TOTAL	$14,822,921	100	$727,646.00	100
SMALL DISADVANTAGED BUSINESS (SDB) CONCERNS	$592,917	4	$3,620.00	0.5
WOMEN-OWNED SMALL BUSINESS (WOSB) CONCERNS	$741,167	5	$12,451.00	1.7
HUBZone SMALL BUSINESS (HUBZone SB) CONCERNS	$148,229	1	$1,367.00	0.2
VETERAN-OWNED SMALL BUSINESS CONCERNS	$741,167	5	$550,900.00	75.7
SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS CONCERNS	$741,167	3	$522,219.00	71.8

ENCLOSURE 2

GENERAL SERVICES ADMINISTRATION (GSA)

U.S. General Services Administration
Fiscal Year 2017 Contract Bundling Report
December 5, 2017

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 (FY) 2017:

BUNDLED CONTRACT

1. PIID GSQ0017AJ0096 - United States Cyber Command (USCYBERCOM) Cyber Training and Exercise (CTE) Support Services) totaling $60,552,976.00.

(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;

Two (2) small business concerns were displaced as prime contractors under NAICS Code 541511 (Custom Computer Programming Services) as a result of the award of the one bundled task order.

and (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;

In FY 2017, GSA awarded one (1) bundled contract (PIID GSQ0017AJ0096). The requirement was awarded by GSA on behalf of USCYBERCOM, CTE Support Services. The award total was $60,552,976.00.

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

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

GSA, Federal Systems Integration and Management Center (FEDSIM), analyzed the benefits of consolidating three separate existing Task Orders (TOs) and a new Task Order Request (TOR) for additional work into one, overall TO for the planned CTE support services for USCYBERCOM. The three existing TOs were comprised of one Other Than Small Business and two Small Business (SB). The bundled TO was solicited to the six contract holders under the FEDSIM USCYBERCOM Support Indefinite Delivery Indefinite Quantity (IDIQ) contract (GS00Q16AJD0001 through GS00Q16AJD0006).

GSA found the substantial bundling necessary and justified because the Government will benefit through program management efficiencies, reduced likelihood for performance redundancies, and increased opportunity for capitalizing upon lessons learned. In addition, the anticipated benefits are measurably substantial and exceed ten percent of the estimated contract value (Federal Acquisition Regulation (FAR) 7.107-3(d) for contracts below $94 million). GSA anticipated that consolidating the three TOs into one TO will result in substantial savings to the Government, estimated at over 22 percent. In addition to the significant quantified cost savings, the efficiency benefits that will be realized as a result of the bundled TO will minimize impact to SBs because of the stringent and aggressive SB goals of the USCYBERCOM Support IDIQ.

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

GSA anticipates that consolidating the three TOs into one TO will result in substantial savings to the Government, estimated at over 22 percent.

The total estimated contract value for this procurement is below $94 million, and savings other than administrative cost benefits are expected; total substantial benefits expected exceed ten percent of the total estimated contract value.

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

Contract cost savings may be realized by the general contractors achieving efficiencies in Task Order bidding and administration in the following areas:

a. Familiarity with Offensive Cyberspace Operations (OCO)/Defensive Cyberspace Operations (DCO) training and exercise support resulting in more accurate initial quotes.
b. Efficiencies in security clearances requirements.
c. Lower negotiated profit rates (for smaller, simple projects with less risk).

Additionally, benefits will be realized from:

a. Competing under the USCYBERCOM Support IDIQ will provide USCYBERCOM access to pre-screened, highly qualified vendors with the unique and specialized cyberspace experience to include appropriate security clearances. In addition, utilizing the USCYBERCOM Support IDIQ will allow for streamlined solicitation procedures.
b. Efficiencies will be gained by only having one contracting office manage all of the IDIQ requirements.

The following table is a summary of the substantial savings expected as a result of consolidation.

Substantial Benefits

Substantial Benefits Expected	Percent Savings (Based on Total Estimated Contract Value)	Savings Amount
Contract Cost Savings	13.6%	$9.8M
Government Administrative Savings *(Pre-award & Post-award roll-up)*	4.9%	$3.5M
-Pre-award	2.1%	$1.5M
-Post-award	2.8%	$2.0M
Total Savings	23.4%	$16.8M
Total Estimated Contract Value (including Options) - Consolidated		$59.3M

(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

Data on the total dollar value awarded to SB concerns as subcontractors and the total dollar value previously awarded to SB concerns as prime contractors under this TO is currently unavailable. The contractor is not required to provide this information until March, 2018 (via eSRS). Per the FAR, contractors that have a subcontracting plan in place are required to report this information twice per year (March 30 and Sept 30 via eSRS). This TO was awarded on September 29th, 2017, therefore the first eSRS report will not be filed until March 30, 2018.

The USCYBERCOM Support IDIQ, from which this TO was placed has high, stringent, and aggressive SB subcontracting goals. The Government requires each prime to adhere to the following SB goals in terms of subcontracted dollars under the contract:

a. Small Business (SB) - 50%

Furthermore, of the 50 percent SB goal, the following socio-economic SB goals apply:

a. Small Disadvantaged Business (SDB) - 15%

b. Service-Disabled Veteran-Owned Small Business (SDVOSB) - 7%

c. Woman-Owned Small Business (WOSB) - 9%

d. Historically Underutilized Business Zone Businesses (HUBZone) - 2%

Along with reporting SB efforts within the Contractor Performance Assessment Reporting System (CPARS), FEDSIM requires the contractor, at the IDIQ level, to report the percentage of subcontracted work allocated for SB subcontract support on an annual basis (30 days after the end of each contract year). As a part of each contractor's Subcontracting Plan submitted in response to the USCYBERCOM Support IDIQ, contractors are required to provide a Summary Subcontract Report (SSR) to the USCYBERCOM Support IDIQ Contracting Officer (CO) utilizing the electronic Subcontracting Reporting System (eSRS) no later than 30 days after the end of each contract year. Contract holders will be held to their SB goals as proposed.

In summary, GSA FEDSIM and USCYBERCOM have taken significant measures to include SBs.

(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.

The Government's decision to use the USCYBERCOM Support IDIQ contract vehicle is anticipated to have an impact on SB. However, the USCYBERCOM Support IDIQ has stringent and aggressive SB goals. The Government requires each IDIQ prime to adhere to 50 percent SB goals in terms of subcontracted dollars under the contract. The two SBs presently supporting CTE requirements may choose to participate as subcontractors under a USCYBERCOM Support prime award; doing so will reduce the negative impact to the two incumbent SBs while assisting the awarded prime to satisfy the high SB subcontracting goals associated with the prime award. The Government and SBs benefit from this approach as SBs will have the opportunity to perform as subcontractors under the USCYBERCOM prime aware and may provide specialized services, innovation, and best value approaches to USCYBERCOM.

Based upon the market research conducted and Request for Information (RFI) responses, SBs are unable to perform on the full CTE requirement. FEDSIM released RFIs to approximately 96 SB primes (all socioeconomic categories), including those on OASIS SB, Alliant SB, and the current incumbent contractors. None of the responses received indicated that any of the SBs were capable of performing the full CTE scope.

Based upon the results of the RFI, the specific impediments to SB participation are several: (a) no corporate experience with a Task Order the size of CTE, (b) no, or inadequate, technical expertise with the unique CTE mission, (c) no experience with cost-plus type contracts, and (d) no, or few, appropriately cleared personnel available to perform CTE requirements (Top Secret/Sensitive Compartmented Information with CI polygraph).