**DETERMINATION AND FINDINGS**
**FOR**
**SOLE SOURCE EXTENSION**

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|---|---|
| Agency: | Office of the Chief Technology Officer (OCTO) |
| Contract No.: | DCTO-2008-C-0135 |
| Caption: | IT Staff Augmentation Services (ITSA) |
| Contractor | OST, Inc. |

## 1. Authority

D.C. Code Section 2-354.04 and 27 DCMR Sections 1304, 1700, 1701 & 2005.6 (b)

## 2. Minimum Need

The District of Columbia (the District) has a need to extend the existing contract with OST, Inc. (OST) for a minimum of 12 months in order to maintain mission-critical continuity of operations to all agencies of the District Government in addition to federal agencies. This extension is critical while the District led by Office of the Chief Technology Officer (OCTO) conducts a comprehensive review of the District's IT Staff Augmentation (ITSA) program and creates a detailed scope of work that will fully meet the District's requirements.

The services required by the District are IT Staff Augmentation Services on behalf of the Office of the Chief Technology Officer. Services are currently provided by OST under a contract that expires on September 30, 2015. As of 08/10/2015 the District has 428 ITSA resources across 25 agencies and multiple critical programs. These resources provide services to 24 District agencies as part of their daily critical operations. A large majority of the services received from these resources support citywide infrastructure, enterprise applications and telecommunications systems used citywide by the District government. Listed below are the 24 agencies that currently have IT staff augmentation resources supporting such systems or working on projects for the District. Actual projects or responsibilities are not listed for every agency; however, all are considered essential. Some of these projects are federally mandated and some are federally funded through grants.

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The following table outlines the list of the 24 agencies that currently use the IT staff augmentation contract:

| Agency | # Engagements |
|---|---|
| OCTO | 218 |
| MPD | 41 |
| OSSE | 22 |
| DCPS | 21 |
| DHS | 19 |
| OUC | 17 |
| DCRA | 16 |
| OCFO | 15 |
| DHCF | 12 |
| DOES | 11 |
| CFSA | 6 |
| DDOT | 6 |
| HSEMA | 5 |
| DOH | 4 |
| DCOA | 3 |
| DCHBX | 2 |
| DDOE | 2 |
| COUNCIL | 1 |
| DCTC | 1 |
| DDS | 1 |
| DFS | 1 |
| DMV | 1 |
| DOC | 1 |
| DPW | 1 |
| OAG | 1 |

The services provided by these resources to these agencies must continue beyond September 30, 2015.

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## 3. Estimated Fair and Reasonable Price

The estimated fair and reasonable price to provide the additional required services is a minimum amount of $100,000.00. The maximum order during this contract period is Not-To-Exceed (NTE) $75,000,000.00. While the Contracting Officer does not anticipate reaching the NTE ceiling; this estimate is based on historical spend data for a twelve month period of the current ITSA contact.

The period of performance is October 1, 2015 through September 30, 2016.

## 4. Facts That Justify a Sole Source Extension:

a) The extension of the ITSA Contract (DCTO-2008-C-0135) is required in order to maintain mission-critical business continuity to all agencies of the District government to include federal agencies while the District conducts a comprehensive review of the District's IT Staff Augmentation program and next generation options for IT Services acquisitions. This extension will provide the District the time needed to explore further contracts while eliminating the exhaustive and costly efforts of transitioning to another vehicle before the long term decision is made following the comprehensive study. The termination or disruption of this contract would critically impair the District's ability to provide health, safety, emergency, and other services to District residences and government agencies should all IT staff augmentation resources under the ITSA contract stop working as of September 30, 2015.

Without the extension of the current contract, the 428 resources described in the Minimum Need, Paragraph 2 above, will not be authorized to continue to work, and it would take months to re-solicit or resume their services under individual contracts. The District attempted to solicit new services under RFP Doc No. 127746; however, this RFP is not consistent with the priorities and goals of the Acting Chief Technology Officer, who took office after the procurement process was completed but prior to award of the contract.

OCTO's goal beyond the 12-month extension is to eventually build and enable multiple contract vehicles that have the flexibility to better manage IT resources by the person, project and team for the entire District. In the meantime, as described in greater detail below, the District would lose productivity, miss operational and legal deadlines, and may delay or even fail in its obligations to District residents and partners including Federal agencies. At a minimum, such delays and failures would cost the District

financially and damage its credibility with its citizens and the Federal government.

Although the ITSA program managed by OCTO has been successful in the past, there are several business requirements that need to be taken into consideration for a long-term solution for the District. OCTO is positioned to focus on next generation options that are nimble efficient and distributed to ensure that the District's technology services consumption needs are met with the new technology and business requirements the District has. As such, it is our intent to save the program and District the time, effort and tax dollars that would otherwise be expended going through multiple transitions.

As the new administration continues a comprehensive and focused review of IT service needs for 2016 and beyond, together with Office of Contracting and Procurement (OCP), OCTO has formed an Integrated Procurement Team (IPT) to lead an extensive study that will review and create multiple cost-effective solutions for the District's IT Services consumption and warrant the opportunity to explore what next-generation solutions for technology contract staffing could entail. This IPT includes the District's new Acting Chief Technology Officer and new Chief Procurement Officer, who after initial discussions, have found that the RFP Doc No. 127746 , the follow-on ITSA solicitation, does not fully meet the Districts IT service solution needs. Most likely a staff augmentation solution will be a tool included in a broader toolkit required for the District's service needs defined through the IPT's work.

b) Potential impact of ITSA contractor stoppage September 30, 2015:

1) **Office of the Chief Technology Officer –** 218 Resources across 20 different programs - Examples that would be impacted include but are not limited to:

a. The DC-Net team that provides citywide mission-critical managed critical communications infrastructure to include voice, data, and video wire-based and wireless services to all District and some Federal government agencies over a secure, highly redundant, and high capacity fiber optic telecommunications platform could be impeded in responding to disaster or storm damage, supporting school modernization efforts, and/or maintaining essential network connectivity problems across the District government to include public safety..

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b. The PASS team that supports the mission-critical Procurement Automated Support System (used by 3,700 users in over 70 agencies) would not be able to ensure uninterrupted operational support of this District-wide enterprise system that handles procurement, contracts, supply schedule, etc. As a result, procurements could be delayed, resulting in delays and/or missed deadlines for critical projects citywide.

c. The PeopleSoft team that supports the mission-critical citywide PeopleSoft human resources (HR) system including payroll for 38,000 employees, benefits, time and attendance, human capital management, online learning, workers compensation, and performance management, would not be able to ensure uninterrupted operational support of this essential enterprise system. As a result, hiring of key personnel could be delayed and/or the District could be late in fulfilling HR obligations to current employees and retirees.

d. The mission-critical Citywide Messaging team would not be able to ensure the uninterrupted operation of the District's citywide email and virus protection systems. As a result, District agencies could suffer communications delays and interruptions that could slow key projects and/or caused missed deadlines for services and legal filings.

e. The mission-critical Cyber Security team could be impeded in fulfilling its duties to protect the District government's computers, computer networks, and information from unintended or unauthorized access change or destruction; denial of service attacks; cyber terrorism; unplanned events; and natural disasters.

f. The Infrastructure (ECIS) group that would be severely impeded in fulfilling its duties to manage the majority of the District government's servers, storage area networks, load balancers, data centers, etc.

g. The Web Maintenance team's system administrators for *dc.gov* website (including all agencies' websites) would not be able to ensure the uninterrupted operation of the District's public-facing website (including the numerous alerts posted there). In addition, the timely maintenance and support of numerous *dc.gov* websites, including the health benefits exchange site where residents obtain health insurance, would be seriously compromised. As a result, District residents could suffer delays or denials of essential services.

h. The District-wide Call Center and ITSERVUS would be significantly impacted resulting in slower response times. These groups assist government personnel with technology related issues and maintain

technological equipment (landlines, cell phones, tablets, wireless PDAs, laptops, desktop computers, etc.).

i. The DMV Application Solutions team that maintains the District's Destiny system would be short handed in supporting the driver's license issuing and renewal application, the driver registration application, the real ID card application, the ticket adjudication system, parking ticket payment application, etc.

j. Project management services for multiple agency endeavors in the District would cease – including DC Public Schools, Department of Corrections, Affordable Housing, and the Sentencing Commission.

k. The DC Geospatial Information System team that handles the District government's geospatial data and applications would be compromised in its delivery of Internet-based mapping solutions that enable the public and DC government to query information, see change, plan for emergencies, and prepare for the future.

**2)** **Metropolitan Police Department** - 41 ITSA resources – Numerous mission-critical initiatives

**3)** **Office of the State Superintendent of Education** – 22 ITSA resources - Miscellaneous initiatives

**4)** **District of Columbia Public Schools** – 21 ITSA resources – Miscellaneous initiatives

**5)** **Department of Human Services** – 19 ITSA resources – Data support for temporary assistance for needy families and child care services

**6)** **Office of Unified Communications** – 17 ITSA resources - Miscellaneous initiatives

**7)** **DC Regulatory Affairs** – 16 ITSA resources - Applications and permitting to facilitate building licenses and permits Districtwide

**8)** **Office of the Chief Financial Officer** – 15 ITSA resources

**9)** **Department of Health Care Finance** – 12 ITSA resources – Medicaid and Health Information initiatives

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**10)** **Department of Employment Services** – 11 ITSA resources – Maintenance of applications including unemployment benefits and taxes, job center, workforce development, and application development.

**11)** **Child and Family Services** – 6 ITSA resources – Data Maintenance and Reporting

**12)** **District Department of Transportation** – 6 ITSA resources – Miscellaneous transportation related initiatives

**13)** **Homeland Security and Emergency Management** – 5 ITSA resources – Miscellaneous initiatives

**14)** **Department of Health** – 4 ITSA resources – Data and document management

**15)** **District of Columbia Office on Aging** – 3 ITSA resources – Miscellaneous initiatives

**16)** **DC Health Exchange** – 2 ITSA resources - Federally mandated Health Exchange functionality

**17)** **District Department of Environment** – 2 ITSA resources – Database and Geographic info and maps

**18)** **Department of Corrections** – 1 ITSA resources – Miscellaneous initiatives

**19)** **Department of Public Works** - 1 ITSA resource – Miscellaneous initiatives

**20)** **Office of the Attorney General** – 1 ITSA resource - Miscellaneous initiatives

**21)** **Department of Forensic Sciences** – 1 ITSA resources – Miscellaneous initiatives

**22)** **District of Columbia Taxicab Commission** – 1 ITSA resources

**23)** **District of Columbia Council** – 1 ITSA resources – web content

**24)** **Department of Motor Vehicle** – 1 ITSA resource – Destiny Support

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**25) Department of Disability Services –** 1 ITSA resource - Miscellaneous initiatives

OST is the only contractor that meets the District's needs for these critical IT Staff Augmentation services to be provided for the period of October 1, 2015, through September 30, 2015. The resources supplied by OST under the current ITSA contract are providing critical services to the District, and the District cannot risk the immediate possibility of disruption of services if another contractor were to be selected to provide services. The resources are provided through subcontractors to OST, and those subcontractors maintain subcontractor agreements with OST that include the terms and conditions for the provision of the resources. A contractor other than OST would not have any subcontractor agreements with the subcontractors and would have to negotiate new subcontractor agreements with its subcontractors. The subcontractors would then have to negotiate new agreements with the resources at rates that are agreeable to both the subcontractor and the resource. For any prime contractor to negotiate new subcontractor agreements and for subcontractors to negotiate new agreements with resources cannot be accomplished in sufficient time to have services continue uninterrupted on October 1st.

A further consideration is that many of the resources are provided under certain visas that are held by the subcontractor providing that resources. Those certain visas are not transferrable among subcontractors. If there were any disruption to the relationship between the subcontractor and the resource, another subcontractor would not automatically be able to rely on the visa held by the original subcontractor and, therefore, could not immediately engage the services of that resource.

As demonstrated above, the resources currently provide critical services and the District cannot risk any disruption to the continuity of services.

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## 5. CERTIFICATION BY AGENCY HEAD:

I hereby certify that the above findings are true, correct and complete.

08/11/2015
Date

Tegene Baharu
Acting, Chief Technology Officer

## 6. CERTIFICATION BY CONTRACTING OFFICER:

I have reviewed the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. I certify that the notice of intent to award a sole source contract was published in accordance with Section 404(c) of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Official Code §2-354.04) and that no response was received. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Date

Derrick White
Contracting Officer

**DETERMINATION**

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under either Section 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.02 or 2-354.03). Accordingly, I determine that the District is justified in using the sole source method of procurement.

Date

George A. Schutter
Chief Procurement Officer