Date: May 27, 2026

To: Aytaj Vily, Contracting Officer, Office of Acquisition & Logistics Management (OALM)

From: Dr. Dion D. Edwards, Ed.D., Director, Division of Business Management, OIIT/ORS/ORF

Subject: Justification for Cancellation of Solicitation No. C120673SB

1. Background

The Office of Innovation & Information Technology issued RFQ No. C120673SB under the NITAAC CIO-SP3 Small Business GWAC on behalf of the Offices of Research Services and Facilities (ORS/ORF) on July 19, 2025. The purpose of the solicitation was to acquire comprehensive, professional Information Technology (IT) services in support of ORS/ORF facilities-based operations. The scope of services encompasses a broad range of IT and Operational Technology (OT) support functions, including application modernization, SharePoint and cloud migration, cloud transformation, infrastructure support, modernization engineering, and proof-of-concept activities. Additionally, the solicitation covered expanded governance and PMO support, software development, Level II helpdesk services, enterprise hosting, systems architecture and integration, IT operations and maintenance, application sustainment, cybersecurity operations, network operations, asset management, database support, and operational cloud support.

2. Reason for Cancellation

After review, it has been determined that the requirements outlined in Solicitation No. C120673SB no longer align with the agency's operational needs due to significant changes in NIH's enterprise IT governance, acquisition strategy, and service delivery structure. Since development of the original Statement of Work (SOW), NIH has undergone a substantial transformation in how enterprise IT services are organized, governed, managed, and delivered across the agency.

NIH is currently implementing NIH Foundational IT (FIT), an enterprise-wide initiative intended to consolidate, standardize, and modernize foundational or “commodity” IT functions across NIH while aligning operational responsibilities within distinct enterprise service domains. Supporting FIT / IT Centralization planning and transition documentation has been developed and presented to NIH leadership and the NIH IT Steering Committee and is attached to this memorandum for reference.

Under the FIT initiative, NIH is restructuring service delivery into three primary operational domains:

- Science and Clinical IT
- Facilities & Operational Technology (OT) IT
- Foundational IT

This restructuring reflects NIH's strategic direction to align IT support with the specialized technical requirements, operational risk profiles, governance structures, cybersecurity requirements, and mission responsibilities associated with each environment. As part of this realignment, ORS/ORF has been designated to operate within the Facilities and Operational Technology (OT) IT domain. This designation materially changes the scope, technical architecture, governance structure, operational ownership model, and service delivery assumptions underlying the current solicitation.

Specifically, capabilities and responsibilities that were previously defined under a broader decentralized IT support model are now being reevaluated and restructured to align with NIH's enterprise-wide FIT governance and operational framework.

Proceeding under the current solicitation would risk substantial misalignment with NIH's evolving enterprise IT strategy, create potential duplication of enterprise-managed services, and result in contract inefficiencies that are not in the best interest of the Government.

Additionally, NIH's FIT initiative is consistent with broader Executive Branch priorities focused on improving operational efficiency, reducing duplicative administrative and technology spending, consolidating shared services where appropriate, strengthening cybersecurity, modernizing Federal IT infrastructure, and improving enterprise governance and oversight.

Examples of the functional requirements, system interfaces, operational responsibilities, and support models in the current solicitation that no longer align with NIH's revised operating model include network infrastructure support, service desk operations, endpoint device management, identity and access management, and compute, hosting, storage, and data center services that NIH now intends to centralize under the FIT framework.

Accordingly, NIH recommends that the Contracting Office cancel the existing solicitation in its entirety. ORS/ORF intends to revise the solicitation requirements, update the SOW, and develop a new Performance Work Statement (PWS) specifically scoped to Facilities and OT IT support to ensure full alignment with NIH's restructured enterprise IT landscape and future-state operational model.

Although Federal cybersecurity and enterprise modernization policies such as Executive Order 14028, "Improving the Nation's Cybersecurity," OMB Memorandum M-22-09, "Moving the U.S. Government Toward Zero Trust Cybersecurity Principles," and OMB Circular A-130 predated issuance of the solicitation, NIH's implementation of the FIT initiative materially changed how NIH intends to operationalize, govern, secure, and acquire enterprise IT services.

The FIT transition planning materials further contemplate optimized enterprise acquisition strategies, centralized vendor management, contract consolidation opportunities, and alignment of future acquisitions with NIH-wide operational ownership models. NIH may also evaluate whether certain discrete commercial IT requirements are more appropriately acquired through existing governmentwide acquisition programs, including the GSA Multiple Award Schedule (MAS), as part of NIH's future-state enterprise acquisition strategy and centralized governance framework.

Furthermore, NITAAC is in the process of transitioning its CIO-SP3 Governmentwide Acquisition Contract (GWAC) to the General Services Administration (GSA) in the coming months. This transition is part of the Administration's broader initiative to consolidate federal procurement activities under GSA in order to reduce duplication, increase efficiency, leverage the government's buying power, and promote greater fiscal stewardship across agencies. The transition is consistent with Presidential Executive Order 14240, *Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement*, which directs agencies to streamline and centralize acquisition activities and reinforces the Administration's policy objective of increasing use of GSA-managed acquisition solutions for common goods and services. As a direct result of this transition and the associated implementation of Executive Order 14240, the remaining ordering period under NITAAC's CIO-SP3 contract vehicle has been significantly shortened. Therefore, the current solicitation can no longer support the Government's anticipated period of performance and longer-term program requirements. Continuing with the procurement as presently structured would risk noncompliance with the Executive Order, conflict with the Administration's procurement consolidation initiatives, and potentially result in an award under a contract vehicle that cannot accommodate the agency's full performance needs.

Therefore, the agency has determined that cancellation of the current solicitation and re-solicitation under an appropriate GSA-managed acquisition vehicle is necessary to ensure compliance with Executive Order 14240, align with current federal procurement policy and Administration direction, preserve full and open competition under the appropriate contract framework, and satisfy the Government's ongoing mission requirements without unacceptable contractual or performance risk.

Proceeding with the current solicitation would therefore not be in the best interest of the Government.

3. Impact Assessment

Cancelling the subject solicitation will avoid unnecessary expenditure, allow sufficient time to revise and properly scope requirements for future re-solicitation, and maintain compliance with applicable procurement regulations.

Failure to cancel the solicitation and proceed with award under the current scope would introduce significant programmatic and fiscal risk. Specifically, awarding a contract based on outdated requirements would likely necessitate immediate and substantial contract modifications, resulting in additional administrative burden, cost, and delay.

NIH further believes that many of the anticipated changes associated with FIT implementation would likely exceed the scope of the current solicitation and materially alter the nature of the competition originally contemplated.

Furthermore, proceeding without cancellation could compromise the integrity of the acquisition by holding vendors to evaluation criteria and technical requirements that no longer reflect the Government's actual needs.

4. Conclusion

Based on the above, I recommend the cancellation of Solicitation No. C120673SB. This action ensures the integrity of the procurement process, supports the agency's mission objectives, and positions ORS/ORF to re-solicit under a properly defined and strategically aligned contracting vehicle.

Signature:

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