[redacted]

CUI//SP-SSEL

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY UNDER INDEFINITE DELIVERY/INDEFINITE QUANTITY (IDIQ) CONTRACTS

Solicitation 47QFMA21Q0034

Enterprise Software Verification & Validation (SV&V)
Quality Assurance (QA) Testing Services (SV&V / QA)

in support of:

Defense Manpower Data Center (DMDC)

United States (U.S.) General Services Administration (GSA)
Federal Acquisition Service
Assisted Acquisition Services (AAS) Army

Interagency Agreement Number 47QFMA-10-S-0001

Controlled by AAS Contracting Officer ***Heather Houtz: Heather.Houtz@gsa.gov***

The General Services Administration (GSA) Assisted Acquisition Services (AAS) makes this Justification for the issuance of an Exception to Fair Opportunity order pursuant to Federal Acquisition Regulation (FAR) 16.507-6 (GSA Class Deviation RFO-2025-16).

a. Identification of Agency and Contracting Activity:

Agency:
GSA AAS acting in support of:
Defense Manpower Data Center (DMDC)
400 Gigling Road
Seaside, CA 93955

Contracting Activity:
GSA AAS Army (QFACBA)
100 Independence Mall West
Philadelphia, PA 19106

b. Nature and/or Description of Action Being Approved:

The Government intends to issue a modification to extend Task Order (TO) 47QFMA21F0025, Enterprise Software Verification & Validation (SV&V) Quality Assurance (QA) Testing Services (SV&V / QA), awarded to REI Systems, Inc. against GSA's Alliant 2 Government-wide Acquisition Contract (GWAC). The TO was originally awarded on June 30, 2021, in the total amount of $[redacted]nd consisted of one (1) 12-month base period and four (4) 12-month option periods with an expiration date of June 30, 2026. The contract type is a combination Firm Fixed Price (FFP) and Labor Hour (LH), awarded utilizing FAR 16.505 ordering procedures. This extension is for a maximum of 6 months, structured as one three-month base period, commencing July 01, 2026, followed by a two-month option period, then a one-month option period, at a total estimated cost of [redacted]. To prevent service interruptions during the recompete process, an extension is required for DMDC to maintain vital SV&V / QA support. This action further ensures continued assistance for critical applications previously established and managed through independent orders. Vital Software Verification & Validation (SV&V) and Quality Assurance (QA) services are currently being re-competed via two separate orders under the Defense Enterprise HR Applications and Data Services (DEHRADS) Multi-Award Blanket Purchase Agreement (BPA): Strategic Technical, Engineering, and Operations Support (STEPS) and Benefits Application Sustainment and Integrated Services (BASIS). These efforts provide necessary support for several key applications, such as Duplicate and Identity Resolution Processing (DIRP), Entitlement and Benefits Maintenance and Modernization Services (EnB), and the Veteran Affair (VA) Electronic Health Record Modernization (EHRM). A coverage gap of three months will occur as the current EHRM, DIRP II, and EnB orders expire in September 2026, while the current SV&V / QA Task Order (TO) is slated to end on June 30, 2026. Consequently, an extension of the existing SV&V / QA TO is essential to ensure continuous service during this three-month gap.

y structuring the six-month extension of the SV&V / QA TO as a three-month base period followed by a two-month option period and a one-month option period, the team can maintain continuity of support services for these key DMDC applications through December 31, 2026 when they will transition to the new orders while retaining the flexibility to address potential challenges that may affect the timeline for award of the BASIS and STEPS orders.

c. **Description of Supplies/Services and Estimated Value:**

Under the current order, the contractor provides information technology SV&V / QA services for DMDC's software components and applications. The contractor is responsible for independent system assessments which analyze and test target systems to ensure that they are performing their intended functions correctly and to measure the system's quality and reliability. The contractor assesses whether systems or applications adhere to set criteria while executing specific tasks and requirements. Throughout this engagement, they offer continuous support regarding observations and suggest actionable improvements. Finally, the contractor delivers a conclusive report detailing findings and prescriptive guidance to resolve any failures identified during the testing phase. The SV&V / QA services provided for critical DMDC applications support the following:

- Veteran Affair (VA) Electronic Health Record Modernization (EHRM)
- Defense Health Agency (DHA)
- Global Force Management Data Initiative (GFMDI)
- Entitlement and Benefits (EnB)
- Duplicate and Identity Resolution Processing (DIRP)
- Real-Time Automated Personnel Identification System (RAPIDS)
- Call Center that supports military members and their families
- 508 Compliance

The total six (6) month extension is estimated to be which, if all options are exercised, will increase the TO ceiling by approximately from .

d. **Identification of the Exception to Fair Opportunity and Rationale:**

This Task Order Justification is being prepared as required by FAR 16.507-6 (GSA Class Deviation RFO-2025-16) Exceptions to Fair Opportunity. The statutory authority for this action is FAR 16.507-6(b)(2) (GSA Class Deviation RFO-2025-16), only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized. The incumbent, REI, is the only source capable of continuing to provide these critical services without interruption. It is impossible to re-compete the current requirement by the task order expiration date of June 30, 2026 and avoid a lapse in the critical services required by DMDC. A competitive procurement would have an estimated procurement lead time of

six to nine months which exceeds the time remaining on the current task order. Additionally, it would not be cost-effective to conduct a competitive procurement for only three to six months of work as the administrative cost and time would far outweigh the value of the short-term contract. For example, a new contractor, even for a short period, would require significant ramp-up time for factors including but not limited to knowledge transfer, security clearances, and system access. By the time a new contractor reached productivity, the contract would be over. REI has successfully performed under the SV&V / QA TO for the past five years and therefore has employees currently in place that possess the necessary skills and institutional knowledge that are required to seamlessly continue the required support given current time constraints. No contractor other than REI currently has a ready pool of in-place support staff available with the requisite knowledge of SV&V / QA testing ready to perform these requirements immediately. Ultimately, REI possesses the cleared personnel, system access, and unique, institutional knowledge required to prevent a gap in, or degradation to, services while the BASIS and STEPS orders are competitively procured.

The Government initially planned to award the BASIS and STEPS recompete orders prior to the SV&V / QA task order's performance end date of 30 June 2026. Delays were experienced in the finalization of the BASIS and STEPS packages due largely to the 43-day government shutdown from October 1 to November 12, 2025, which halted requirements planning and significantly delayed the anticipated restructuring of the Defense Human Resources Activity (DHRA). As a result, requirements had to be realigned with the current organizational structure rather than the originally planned future state.

Additionally, the BASIS PWS had to be revised to align DHRA priorities with Trump Administration priorities. One of the Administration's priorities, Restoring the Warrior Ethos, necessitated that DHRA explore commercial capabilities like machine learning, predictive analytics, and AI for transition support, among other efforts, and update the BASIS PWS to reflect this effort.

If this Task Order is not extended, a lapse in service will cause a complete cessation of mission-essential SV&V / QA support for the applications covered. Consequently, the core functions supported by these applications will be impaired, directly harming the Government's ability to execute its mission. The cost burden to the Government would be significant in terms of duplicate rework and loss of momentum. Allowing a service gap will inflict substantial and wasteful costs on the follow-on Orders and will result in:

- Halting Critical Deployments: All planned software releases, security patches, and critical bug fixes will be immediately frozen. For systems like Electronic Health Record Modernization (EHRM) Applications, this means that capabilities urgently needed by the field will be delayed, directly impacting operational readiness.
- Loss of Production Support: There will be no team in place to triage, analyze, or troubleshoot high-priority production issues. This will leave end-users without

support, degrade their ability to perform their duties, and severely damage confidence in these critical systems.

- "Cold Start" Inefficiencies: A new contractor, even the winner of the competitive follow-on, would have to perform a "cold start" without the benefit of a warm handoff from the incumbent. This will require complete re-accomplishment of knowledge transfer, environment setup, and security in-processing.
- Duplicative Rework: The new team will have to spend months re-learning the system architecture, rediscovering historical issues, and reverse-engineering undocumented processes—work that the incumbent already knows. This wasted effort is estimated to set the new program back by at least four to six months.
- Loss of Momentum: All momentum on current development and sustainment efforts will be lost, requiring the new team to spend considerable time and resources simply getting back to the current baseline.

Based on the above analysis, REI is the only contractor capable of providing the supplies or services required at the level of quality required within the necessary timeframe. No other contractor can offer the immediate support required to maintain mission continuity. Furthermore, the current order is set to expire on Jun 30, 2026, making the significant startup time required for a new contractor unfeasible.

e. <u>Determination That the Anticipated Cost is Fair and Reasonable</u>:

The assigned GSA Project Manager (PM) will complete an evaluation of the contractor's price submission to ensure the labor mix and hours are appropriate for the work to be performed. In accordance with FAR 15.404-1 (GSA Class Deviation (RFO-2025-15) and 15.404-2 (GSA Class Deviation (RFO-2025-15), a price and cost analysis will be performed including the verification of rates, as well as a comparison to prices currently paid to determine the prices fair and reasonable.

f. <u>Other Facts Supporting the Justification</u>:

There are no other facts supporting the justification.

g. <u>Statement of Actions</u>:

The Government will solicit only REI Systems under their GSA Alliant 2 Government-wide Acquisition Contract (GWAC) contract (47QTCK18D0032) / TO 47QFMA21F0025. This action will extend the current order for an initial three-month term from Jul 1, 2026 to Sep 30, 2026, with a total potential duration of six (6) months through Dec 31, 2026 if all options are exercised. No other firm is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized. This extension provides the necessary coverage while the Government finalizes the BASIS and STEPS recompete Orders under the DEHRADS BPA, ensuring fully competitive awards are established before the SV&V QA extension expires. There are no barriers to competition as the BASIS and STEPS

requirements will be solicited through the DMDC DEHRADS BPA. This vehicle was originally established using fair opportunity procedures per legacy FAR 8.405-3(b)(2)(ii)(B) and currently includes ten (10) active BPA holders.

h. Certification by Technical or Requirements Personnel:

I hereby certify that the supporting data is accurate and complete.

Date

Project Manager, AAS Army

i. Signature of Authorized Officials:

I hereby certify that the Justification is accurate and complete to the best of my knowledge and belief, and I determine on the basis of the findings above that the exception to fair opportunity is in accordance with the requirements and is in the best

Date

Contracting Officer, AAS Army
Assisted Acquisition Services

Date

Competition Advocate, AAS Army
Assisted Acquisition Services