



January 26, 2015

Jim Ghiloni  
Program Executive, Professional Services PMO  
General Services Administration (GSA)  
26 Federal Plaza RM 21-100  
New York, NY 10278

Re: HCaTS Request for Information (RFI)

Dear Jim:

Thank you for the opportunity to provide comments in response to the RFI for the upcoming Human Capital and Training Services (HCaTS) contract jointly managed by GSA and the Office of Personnel Management (OPM).

The Coalition for Government Procurement (“The Coalition”) is a non-profit association of firms selling commercial services and products to the Federal Government. Our members collectively account for approximately 70% of the sales generated through the GSA Multiple Award Schedules (MAS) program and about half of the commercial item solutions purchased annually by the Federal Government. Coalition members include small, medium and large business concerns. The Coalition is proud to have worked with Government officials over the past 35 years towards the mutual goal of common sense acquisition.

The Coalition supports GSA and OPM’s joint efforts to establish a contract vehicle for human capital and training services as a successor to the current Training and Management Assistance (TMA) contract. We sincerely appreciate GSA and OPM for their open engagement with industry on the HCaTS acquisition strategy through GSA Interact and the HCaTS RFI. In response to the RFI, our general recommendations are that GSA and OPM take additional steps to increase the flexibility and efficiency of the HCaTS contract vehicle and make some modifications to the draft RFP documents to increase competition from businesses of all sizes. Further, although Coalition members generally support the use of an OASIS –like evaluation approach, such an approach should be better tailored towards the unique requirements in human capital and training support. The Coalition has also submitted a list of questions (see Attachment 1).

### **Mission Critical Goals**

As a threshold matter, eliminating the current pool structure would enhance the government’s ability to achieve its stated goals, e.g.

- Provide the Federal government with contract solutions that can provide a full suite of human resources and human capital professional services to include a full range of contract types
- Maximize industry participation, creativity, expertise, and experience while minimizing—to the extent possible—the costs of participating and offering services to the government
- Achieve sound strategic sourcing principles

The proposed Pools are defined exclusively based on the small business size standard without regard to the government’s requirements or how commercial entities structure their business lines. According to L.3.2, awards will be made under each Pool as separate Government-wide MA-IDIQ order contracts. As a result when placing an award agencies may have to consider evaluating offers across multiple contractors and multiple pools. The Pool structure essentially creates a contract vehicle where the NAICs codes define a limited scope of contract for each corresponding Pool. This Pool structure complicates the process of submitting a proposal and placing an order. It also fundamentally limits the ability of contractors to provide cross-cutting best value solutions for comprehensive agency customer requirements. We suggest that the government consider eliminating the pool structure. Instead the government should state a scope of work that reflects the needs of federal agencies, such as a scope that is aligned with the HCaTS KSAs. Agencies should be able to assign NAIC codes at the task order level to determine the size standard. Additional structural comments regarding the NAIC codes are contained in the table on pg 4.

## **Flexibility**

In order for the HCaTS contract vehicle to be successful, the Coalition recommends that the contract be structured to provide flexibility at the task order level to meet customer agency mission requirements across the best-value continuum. Based on the draft RFP documents shared in the RFI, it is clear that GSA and OPM have taken steps to make HCaTS a flexible contract vehicle for customer agencies and vendors. For example, as recommended in the Coalition’s HCaTS Principles, the new contract will allow for direct order by customer agencies and provide more flexibility in the way that orders are priced (e.g., FFP, T&M, Labor Hour, and Cost Plus).

To further maximize flexibility, the Coalition recommends that GSA and OPM eliminate burdensome requirements at the contract level presented in draft RFP Sections C and L. We offer some examples of specific requirements that we believe should be eliminated at the contract level, in addition to Contractor Team Arrangements per the FAR Part 9.6 definition, in the table titled *Additional Recommendations*. Eliminating these requirements at the contract level will increase competition, best value and sound performance outcomes to meet customer agency missions. More flexibility at the task order level fosters more effective and efficient contract management for both government and industry. In structuring the HCaTS contract vehicle, GSA and OPM should focus on empowering customers to accomplish their goals at the task order level.

## **Efficient Teaming and Subcontracting**

The Coalition is very concerned about the unintended consequences of L.7.1.8.2, Approved Subcontractors. Paragraph L.7.1.8.2 provides additional points for identifying, proposing and committing to use specific small businesses as part of an offeror's proposal. This approach creates a significant risk of creating inflexible, limited contracts that may not adequately meet customer needs at the order level. Typically, in the multiple award IDIQ environment, prime contractors identify specific subcontractors in response to real agency specific requirements competed at the task order level. Such an approach allows flexibility for prime contractors to provide the best value solution to meet a specific requirement. The unintended consequence of L.7.1.8.2 is in an effort to obtain additional points for contract award, contractors will prematurely lock-in subcontractors thereby limiting flexibility and access to best value teaming at the task order level. This risk is compounded by the evaluation methodology that awards points based on numbers of subcontractors identified rather than the relative quality of the proposed subcontractors. Moreover, the artificial limit on the number of times a subcontractor can be included in competing proposals sets unreasonable limits on competitive teaming opportunities for potential subcontractors at both the contract and task order level. Another unintended consequence of this requirement will be additional administration burden and compliance risk associated with monitoring and administering subcontractors post-award with regard to mergers and acquisitions. A merger or acquisition of a contractually identified small business subcontractor will require subsequent review and modification of the contract—unnecessarily increasing paperwork burdens for both the government and contractors.

Based on the above, the Coalition recommends eliminating L.7.1.8.2's evaluation approach. Rather, contract teams, including subcontractors, could be evaluated at the task order level for credit as the team reflects the actual technical approach to meeting an agency specific requirement. To the extent any evaluation credit is to be given at the contract level for subcontracting with small businesses—it should be based on the merits of each offeror's small business subcontracting plan. Finally, revising the Pool structure and easing corresponding use of NAICs codes can simplify the evaluation and reduce the need for complex teaming proposals at the contract level. For example, assigning overarching NAICs would reduce proposal complexity saving bid and proposal costs for all business while providing greater competitive opportunities at the task order level for all contractors.

With regard to L.7.1.10, Existing Joint Venture or Partnership, this paragraph is confusing. As contemplated by FAR 9.6, Contractor Team Arrangements (CTAs) are typically created specifically to respond to a specific government RFP requirement. However, L.7.1.10 essentially precludes such an approach as the relevant past performance of individual firms who formed the CTA will not be considered for evaluation credit. This preclusion essentially eliminates any new Partnership or Joint Venture from proposing. This prohibition on allowed evaluation credit appears to be philosophically inconsistent with the language at L.7.1.9.

## Additional Recommendations

<p><b>Key Service Areas (KSA)</b> C.3.1</p>	<p>The Coalition recommends that a clearer mapping between the 3 pools and the KSAs be provided in the draft RFP. It would also be helpful if some of the verbiage in draft Sections C and L was clarified regarding what exactly is required for past performance submissions for each Pool.</p>
<p><b>HCAAF</b> C.3</p>	<p>While the evaluation of proposals should center on the KSAs and the Human Capital Assessment and Accountability Framework (HCAAF), the overall scope of contract should also allow for training and human capital requirements other than HCAAF at the task order level. This additional flexibility will ensure the contract maximizes the opportunities for contractors to meet agency mission needs.</p>
<p><b>NAICS Pools</b></p>	<p>The Coalition is concerned about the use of NAICS codes to define the scope of the three Pools.</p> <ul style="list-style-type: none"> <li>a. The use of NAICS codes has the unintended consequence of restricting competition. It may be difficult for contractors under the current TMA contract to meet certain past performance requirements. Rather than assigning NAICS to the Pools, the Coalition recommends that predominant NAICS codes be assigned at the contract level and allow for customer agencies to assign other NAICS codes at the task order level depending on the specific requirements.</li> <li>b. Reliance on past performance based on NAICS codes does not sufficiently allow vendors to demonstrate, nor the government evaluate, vendors' capabilities. Requiring past performance tied to certain NAICS for each pool is a disadvantage to vendors whose past performance was not assigned a NAICS Code, or whose past performance was assigned an incorrect NAICS.</li> </ul> <p>Further, reliance on NAICS does NOT allow use of commercial past performance despite language on pg 4 of the 010515HCaTSRFI document under Round Two—Scoring that states that “commercial projects will be acceptable.”</p> <ul style="list-style-type: none"> <li>c. The NAICS codes proposed in L.7.1.2 relate to more niche services and do not adequately reflect work conducted under the current TMA contract, especially for Pool 1. Please see our comments above regarding the Pool Structure and the NAICs codes—the use of an overarching code is preferred.</li> <li>d. In order to bid for a specific Pool, the Coalition recommends that the vendor meet Relevant Past Performance Projects for only <b>one</b> of the NAICS Codes in each Pool versus multiple NAICS as proposed in</li> </ul>

	<p>L.7.3.2.1. Requiring past performance for only one NAICS Code in each Pool would be consistent with the OASIS model. Under Pool 1, the Coalition is currently unaware of any vendor that could provide Relevant Past Performance for three of the four NAICS Codes.</p>
<p><b>Profit Rates</b> L.8.2</p>	<p>Recommend that HCaTS allow for a profit rate up to 10 percent consistent with the FAR as an incentive for industry. A lower cap of 7 percent could have the unintended consequence of incentivizing vendors to promote use of competing contracts in cases where the 7 percent cap is unrealistic.</p>
<p><b>Fees</b></p>	<p>Any Contract Access Fees applied to the HCaTS contract should follow the standard GWAC management model used by OASIS and Alliant.</p>
<p><b>Subcontracting</b> L.7.1.8 and L.7.3.2.5</p>	<p>The Coalition requests that the final strategy on subcontracting be published in the Draft RFP to be released in February. Contractors need adequate time in advance of the Final RFP to put their subcontracting strategy together.</p> <p>We also ask that more specifics be provided regarding what is needed to make a pass/fail determination for subcontractor past performance. In the current draft Section L, 3 past performances are required. However, it is unclear how they should map to the NAICS Codes or KSAs. Further, there is no mention of dollar amount or other factors. The past performance requirements for prime contractors is much clearer.</p>
<p><b>Systems, Certifications and Clearances</b> L.7.5</p>	<p>Some of the significant costs of submitting a proposal are driven by the need to accept cost reimbursable tasks. While these systems are not mandatory, companies that have such systems are considered more favorably than others. Companies that go to the expense of establishing such systems may never receive a cost reimbursable task. Companies that do not establish such systems will likely not be awarded a contract. This evaluation approach is a significant barrier to entry for small and medium sized companies in this market. We recommend that GSA consider a more flexible evaluation approach. For example, these factors would not be evaluated for award, however contractors without such systems would be ineligible to receive cost reimbursable task orders.</p> <p>We also recommend that to the extent the approved purchasing system and the Earned Value Management (EVM) are required and /or evaluated—the appropriate timing for such consideration is at the task order level rather than the contract level. While an acceptable accounting system is required by the FAR for a company to receive cost-reimbursement orders, the other systems, specifically an approved purchasing system and an approved Earned Value Management system are not required. This evaluation criterion creates a significant barrier at the contract level to entry by small business concerns and traditional commercial contractors limiting access to innovative, best in class human capital service providers. Also, some systems, such as the Earned Value Management system, based on the prior contract history will likely to be required on many orders. The evaluation criteria essentially make these systems mandatory requirements as the credit will tip the balance in the</p>

	scoring—creating an overly burdensome set of requirements. The evaluation of these systems should be left to customer agency discretion at the task order level.
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#### **Amendments to Final RFP**

Once the final RFP for HCaTS is released, the Coalition requests that all amendments specify the changes to the solicitation as a result. Contractors report that it was extremely challenging to manage all of the electronic amendments for OASIS. More organization in this process will help to control contractors' bid and proposal costs in response to the HCaTS solicitation.

Again, the Coalition appreciates GSA and OPM's openness to industry feedback during the development of the HCaTS contract vehicle. If there are any questions, please contact me at (202) 331-0975 or [rwaldron@thecgp.org](mailto:rwaldron@thecgp.org).

Sincerely,



Roger Waldron  
President

# Attachment 1

## Questions

1. What will the process be to respond to solicitations under the HCaTS contract? Will vendors only be able to respond to task orders released within their awarded Pool or will they be eligible to respond in other Pools? Will the process be the same under the HCaTS Unrestricted and HCaTS Small Business contracts?
2. How many awardees are anticipated for each Pool?
3. What is the estimated dollar volume for the HCaTS contract?
4. Could GSA and OPM address the thinking in regards to the overall approach to teaming—both prime/sub and joint ventures?
5. Could GSA clarify what the on-ramp/off-ramp process will be once HCaTS is established?
6. What existing contracts do GSA and OPM plan to include in the scope of the HCaTS contract? What agencies that currently have their own contracts within the scope of this contract have committed to using HCaTS in the future versus their own?
7. In the draft RFP scheduled to be released in February, would GSA please include the weighting for the Evaluation Criteria?
8. For C.3.2.1 Integration of Information Technology (IT), please clarify at the contract level what types of IT are allowable under HCaTS.
9. After reviewing Round One- Pass/Fail on pg 4 of the document titled “010515HCaTSRFI” and Draft RFP Section L.7.3.2.4, it is not clear whether vendors need to submit past performances that collectively cover a minimum of 3 KSAs for Pool 1 OR if each past performance submitted has to cover 3 KSAs. Would GSA please make this clarification in the Draft RFP released in February?
10. What fees will apply under HCaTS?
11. In L.8.2, why are profit rates exceeding 7% discouraged when the FAR allows for profit rates up to 10%?
12. On pg 4 of the “010515HCaTSRFI” document under Round Two—Scoring, it states that “Projects would have to have been performed within the last five years (Government or commercial projects will be acceptable).” How can commercial past performance be submitted given the NAICS Code requirements?
13. How will systems such as an Approved Purchasing System and Earned Value Management System enhance an offeror’s ability to provide sound customized human capital and training solutions to government agency clients?