



Consolidation of Requirements -- Determinations and Findings



Program: Multiple Award Construction Contract IV (MACC IV)

FINDINGS

In accordance with the definition provided at FAR 2.101, “Consolidation or consolidated requirement” means a solicitation for a single contract, a multiple-award contract, a task order, or a delivery order to satisfy—

(ii) Requirements of the Federal agency for construction projects to be performed at two or more discrete sites.

While FAR 7.107-2(a) recognizes that consolidating requirements may provide substantial benefits to the Government, further account is given to the potential negative impact upon small business participation. Accordingly, before actions are taken by an agency to consolidate requirements under a subsequent solicitation and/or contract award, accompanied by an estimated total dollar value exceeding \$2 million, a written determination is required. IAW AFFARS 5307.107-2(a), the Senior Contracting Official (SCO) is the authority to make the consolidation determination for actions exceeding \$2 million.

Requirements: The organization below proposes to solicit a consolidation of the following listed requirements:

1. Indefinite-Delivery, Indefinite-Quantity Construction services at Hill AFB and its tenant units
2. Indefinite-Delivery, Indefinite-Quantity Construction services at Utah Air National Guard facilities

Background: The planned consolidated “D” contract will have an estimated dollar value of \$385 million and will consist of multiple disciplines in design and construction such as maintenance, repair, and alteration of real property, as well as new construction for Hill AFB, its tenant units, and Utah Air National Guard (UTANG) facilities. Although the construction services for Hill AFB and its tenant units are currently being accomplished under the MACC III contract, the MACC IV contract vehicle will expand its scope to provide construction services for the UTANG, which does not currently have its own MACC contract to utilize. Construction services at Hill AFB, its tenant units, and UTANG facilities have previously been accomplished through small businesses and the MACC IV contract will continue this trend as it is a 100% small business set aside.

Discussion of Findings:

1. Describe the market research conducted.

A Request for Information (RFI) was posted to FedBizOps on October 3, 2019. The RFI contained a copy of the Draft Statement of Work (SOW) for the MACC IV requirement. There were 21 responses from small business and 4 responses from large businesses. Additionally, an RFI was posted notifying vendors of the anticipated inclusion of the UTANG location requesting feedback. An Industry Day was held on November 4, 2019 where 21 small business and 5 large businesses attended. One-on-One sessions were held with 15 of the small business and 3 of the large business during the Industry Day. During the Industry Day and One-on-One sessions, and in response to the UTANG RFI, no concerns were raised by the vendors regarding any of the various project locations.

2. Explain any alternative contracting approaches that would involve a lesser degree of consolidation have been identified.

An alternative to consolidation is to have Hill AFB and the UTANG procure construction projects using separate MACC purchase orders and direct 8(a) awards for individual projects. It is not advantageous to the Government to consider procuring all construction projects individually since this is increased procurement lead times required for individual

SOURCE SELECTION INFORMATION – SEE FAR 2.101 & 3.104

contracts will impede mission success (See Benefits Section 2(ii)). In addition, procuring individual contracts requires more Government resources and time than is acceptable and available to meet mission needs. Another alternative is to have the UTANG create its own MACC while Hill AFB also creates its own MACC. The UTANG and 75 CEG procuring virtually identical construction requirements, using the same pool of small business vendors, on two separate MACC contracts is not as beneficial, as it would require twice the effort for the same result. Conversely, creating a single MACC IDIQ vehicle that both organizations can utilize will reduce duplicative efforts, save time and money, and protect the Government's best interest.

3. Evidence the determination has or will be coordinated with the agency's Office of Small Business Programs. This Determination and Findings will be coordinated with James Dean, the Director of the Office of Small Business Programs at Hill Air Force Base, as evidenced by the signature block on the last page of this document.
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4. Address any negative impact by the acquisition strategy on contracting with small business concerns that has been identified.

No negative impacts on small business have been identified since this is a 100% small business set aside. In particular, there is no negative impact to the 8(a) program vendors as they are still able to propose for the MACC IV Basic IDIQ and the UTANG and 75 CEG are still able to procure various construction projects directly to 8(a) vendors IAW FAR 6.302-5.

5. Describe steps taken to include small business concerns in the acquisition strategy

To ensure all small business concerns were sufficiently addressed, we determined that a 100% small business set aside was the best acquisition strategy for this effort. Additionally, the contracting team has remained in close contact with the small business office to ensure there were no concerns or surprises with regards to the decision to add the Utah Air National Guard facilities to the MACC IV effort.

Benefits.

(1) In order to be determined necessary and justified, the benefits of the consolidated acquisition must substantially exceed the benefits that would be derived from alternative contracting approaches that involve a lesser degree of consolidation. Such benefits may include quantifiable cost savings or price reductions as well as other benefits, regardless of whether quantifiable in dollar amounts, to include quality improvements that will save time or improve or enhance performance or efficiency, reduction in acquisition cycle time, better terms or conditions, or any other supportable benefit. The expected benefits of the consolidated acquisition will be discussed in Paragraphs (2) and (3) below.

The approval authority may also determine that consolidation is necessary and justified when the benefit thresholds are not met, but the contract is critical to the agency's mission success and the procurement strategy provides for maximum practicable participation by small business. In this case, the use of a consolidated MACC IDIQ for construction projects is critical to the mission success of Hill AFB, to include the Ogden Air Logistics Complex (OO-ALC), 388th Fighter Wing and 419th Fighter Wing. Without a MACC in place to provide streamlined project execution, increased procurement times for construction would result in delayed deadlines. These delays would jeopardize the efficacy of the maintenance and fighter wings and could ultimately result in mission failure. Therefore, we believe the MACC vehicle is critical to the agency's mission success.

(2) According to FAR 7.107-2(c), benefits other than cost savings or price reduction may also be used to justify consolidation. These benefits include: 1) Quality improvements that will save time or improve or enhance performance or efficiency; (2) Reduction in acquisition cycle times; (3) Better terms and conditions; or (4) Any other benefit. The consolidation of construction efforts between Hill AFB and the UTANG will clearly achieve benefits 2 and 3 as described in subparagraphs below. First, the competition provided by approximately 6-8 contractors on the proposed multiple award contract vehicle will result in enhanced performance and efficiency, as well as better terms and conditions for each site. Currently, the UTANG does not have a MACC vehicle in place to provide these same benefits. The UTANG must either individually compete efforts, or direct 8(a) award, which does not always result in the most beneficial terms and conditions. Additionally, consolidating the UTANG construction requirements with Hill AFB will substantially reduce the acquisition cycle times for the Government.

(i) Better terms and conditions are expected to be achieved through consolidation. The Multiple Award Task Order Contract (MATOC) the ANG had in place over two years ago was mostly comprised of the same vendors used by the Hill AFB MACC III. After reviewing the awards made by Hill AFB and themselves, the UTANG determined they were not receiving the same benefits as Hill AFB, especially in regards to competitive pricing. By including the UTANG in the anticipated MACC IV, they will receive the more advantageous pricing benefits. Additionally, due to its size and number of requirements, Hill AFB has more of a demand on the construction economy than the UTANG. By including the UTANG in the anticipated MACC IV, they will also receive the benefits of the better terms and conditions expected in the MACC IV than they would otherwise receive from a much smaller MATOC.

Since a MACC vehicle has been in place at Hill AFB for over a decade, we are confident that Hill AFB has received more advantageous terms and conditions as a direct result of its use of a MACC vehicle. Under this contract type, contractors have a greater likelihood of receiving a higher quantity of work over an extended period of time. The increase in job security, paired with the higher expected volume of projects provided by a MACC vehicle, incentivizes contractors to provide the Government more competitive pricing and better terms and conditions on both the basic contract and subsequent TOs. Once approximately 6-8 contractors have been selected for the basic contract, the Government continues to benefit from competition at the task order level as the selected contractors compete for each construction project.

(ii) Significant reductions in acquisition cycle times are also expected to be achieved through consolidation. The AFSC cycle standard for acquisitions under \$10M is 195 days. However, historical data from previous MACC vehicles at Hill AFB show that the average time to award for task orders takes an average 60 days. As a result, we expect a 69.2% reduction in cycle time for Hill AFB from using a MACC vehicle. In addition, similar cycle time reductions are expected for the UTANG. Currently, the UTANG acquisition cycle time takes an average of 163 days for acquisitions over \$1M. The minimum reduction in cycle times is expected to be approximately 103 days. Therefore, the use of a MACC vehicle will enable each construction project at UTANG facilities to be awarded approximately 63% faster.

(3) In addition to the benefits to the Government outlined above, consolidating these construction efforts into a multiple award contract is in alignment with the statutory preference for multiple award contract types outlined in FAR Part 16. According to FAR 16.505(c), the contracting officer must, to the maximum extent practicable, give preference to making multiple awards of indefinite-quantity contracts under a single solicitation for the same or similar supplies or services to two or more sources. Furthermore, FAR 16.504(c)(ii)(D)(1) indicates that no task or delivery order contract in an amount estimated to exceed \$112 million (including all options) may be awarded to a single source. For these reasons, we believe that consolidating the construction efforts between Hill AFB and the Utah Air National Guard under a multiple award IDIQ contract is not only justified, but also encouraged by federal regulation.

DETERMINATION

IAW FAR 7.107-2 and AFFARS 5307.107-2, and based on the above findings, I have determined that that the benefits to be derived through the consolidation of these requirements is not only necessary and justified, it is in the best interest of the Government.

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| Date | Dawn C. Sutton, Senior Contracting Official (SCO) AFSC OL:H/PK/PZ, [REDACTED] [REDACTED] | Signature [REDACTED] |
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