



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

July 20, 2010

Francis S. Collins, M.D.  
Director  
National Institutes of Health  
Building 1, Room 126, One Center Drive  
Bethesda, Maryland 20892

Dear Dr. Collins:

This letter is in response to your agency's request to the Office of Management and Budget (OMB) for a designation to serve as the executive agent for the Chief Information Officer Solutions and Partners 3 (CIOSP3) and CIOSP3-Small Business government-wide acquisition contracts (GWACs). Your agency provided information to OMB's Office of Federal Procurement Policy (OFPP) explaining that each of these GWACs would offer a wide range of IT services, with a particular emphasis on health-related IT services to support agencies with health-related missions and responsibilities under the Patient Protection and Affordable Care Act. One GWAC would be set aside exclusively for small businesses. Each GWAC would have a ceiling of \$20 billion and a contract length of 10 years. I have decided to grant the designation subject to the terms in this letter.

This designation is made pursuant to section 5112(e) of the Information Technology Management Reform Act ("Clinger-Cohen Act"), 40 U.S.C. 11302(e), which authorizes the Director to designate "one or more heads of executive agencies as executive agent for Government-wide acquisitions" of IT. The scope of this designation is limited to acquisitions of IT as defined in section 5002 of the Clinger-Cohen Act. The contracts shall be made available to agencies on a non-mandatory basis.

This designation is granted on condition that NIH adhere to and promote model practices for interagency contracting, including applicable principles addressed in OFPP's *Interagency Acquisitions* guidance document published in June 2008, which can be found at [http://www.whitehouse.gov/omb/assets/procurement/iac\\_revised.pdf](http://www.whitehouse.gov/omb/assets/procurement/iac_revised.pdf). This guidance is designed to promote thoughtful acquisition planning, consistent and effective use of competition, and sound contract and financial management. The guidance is also intended to promote a clear understanding of roles and responsibilities between agencies that manage interagency contracts and those that use them.

This designation is granted with the further understanding that NIH will meet periodically with customer agencies, especially those with responsibilities for healthcare reform, to evaluate how well the GWACs are meeting their needs and to make appropriate adjustments to maximize the value provided to their programs. NIH will also provide annual activity reports to OMB, so that we can work with you in assessing results achieved under your GWACs. Requested information is described in the enclosure. OMB reserves the right to modify these reporting requirements as may be required to inform our understanding of activities conducted pursuant to this designation.

With good stewardship, CIO SP3 and CIO SP3- Small Business can provide important access to health-IT services and the talents and skills of small business contractors. OMB looks forward to working with you as an executive agent to provide cost-effective, quality results for our taxpayers under these vehicles.

Sincerely,  
  
Peter R. Orszag  
Director

Enclosure

### Contract Activity Annual Report

The National Institutes of Health (NIH) shall report the following information to the Administrator for Federal Procurement Policy on the Chief Information Officer Solutions and Partners 3 (CIOSP3) and CIOSP3-Small Business government-wide acquisition contracts (GWACs):

- (1) for each customer agency, the cumulative number and total dollar value of task or delivery orders awarded (whether by NIH or by the customer agency through delegation), sorted by function contact area and type of contract (e.g., firm-fixed-price, time-and-material, labor-hour, cost-reimbursement, fixed or award fee, etc.);
- (2) total number and dollar value of task and delivery order awards:
  - (i) subject to fair opportunity; and
  - (ii) not subject to fair opportunity (see Federal Acquisition Regulation (FAR) 16.505(b)(2), identifying the applicable exception;
- (3) revenue and cost information for managing and administering each GWAC as follows:
  - (i) projected and actual total revenue generated for each GWAC;
  - (ii) projected and actual direct and indirect costs for each GWAC;
  - (iii) actual full-time equivalents (FTEs) used to manage and administer each GWAC; and
  - (iv) strategy for re-calculating fees to correct any differences between revenue and cost;
- (4) the assessment of customer satisfaction with contracts covered by the designation (using performance measures and benchmarks);
- (5) the total number and cumulative value of task orders issued which do not comply with FAR Part 37.6, performance-based contracting;
- (6) total number and dollar value of task and delivery order awards to:
  - (i) small businesses;
  - (ii) small disadvantaged businesses;
  - (iii) women-owned small businesses
  - (iv) HUBZone small businesses;
  - (v) veteran-owned small businesses;
  - (vi) service-disabled veteran owned small businesses.
- (7) Management or operational weaknesses (including customer misapplications) identified by the program, agency Inspector General (IG), or Government Accountability Office (GAO), and remedial steps that have been taken or are planned.