May 6, 2022

Lawrence A. Tabak, D.D.S., Ph.D.
Principal Deputy Director
National Institutes of Health
Bethesda, Maryland 20892

Dear Dr. Tabak:

This letter is in response to your agency's September 15, 2021 request to the Office of Management and Budget (OMB) for a designation to serve as the executive agent for the National Institutes of Health (NIH) Chief Information Officer - Solutions and Partners 4 (CIO-SP4) Government-wide acquisition contract (GWAC). Your letter and accompanying business case explain that the new GWAC will replace the CIO-SP3 GWAC when it expires. Based on NIH's business case, as well as customer use and satisfaction with the current and predecessor CIO-SP3 GWAC, OMB grants the designation of NIH as the executive agent for the CIO-SP4, 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 of OMB to designate "one or more heads of executive agencies as executive agent for Government-wide acquisitions" of information technology (IT). The scope of this designation is limited to acquisitions of IT as defined in section 5002 of the Clinger-Cohen Act.

OMB understands that CIO-SP4, like the predecessor CIO-SP3, will offer a broad range of IT services-based solutions and customized IT services while simultaneously supporting NIH's research, health and mission-critical programs. The scope for CIO-SP4 will accommodate orders related to cloud computing, cybersecurity, biomedical information services, health IT, imaging, mobility solutions, software development, enterprise data management, systems engineering, identity and access management, enterprise resource planning IT infrastructure, workforce management, capital planning and investment, and more. The contract will have a ceiling of $50 billion and a contract length of ten years. OMB further understands that this scope and contract length were determined in consultation with the Small Business Administration and after extensive outreach with customers and potential vendors.

The designation is subject to conditions described in the Attachment, which includes serving as a role model in the application of category management stewardship principles and practices, advancing equity in procurement, and providing annual reports to OMB on use and results achieved from the CIO-SP4 GWACs. This designation shall remain in effect until the end of the contract period, including any options or extensions, unless the designation is otherwise modified by OMB.

Executive agents and the GWACs they manage play an important role in helping the Federal Government buy as an organized entity and use procurement as a catalyst to advance the Administration's goals to strengthen our Nation's economic and national security. OMB appreciates NIH's long service as an executive agent for GWACs and looks forward to its continued partnership with NIH and other stakeholders in growing the diversity and maintaining and strengthening the resilience of the Federal contracting base through the CIO-SP4 GWAC.

Sincerely,

Shalanda D. Young

Enclosure

Executive Agent Responsibilities

The designation of NIH as executive agent for the CIO-SP4 is subject to the following conditions.

A. Specific responsibilities for the effective management of the CIO-SP4 GWAC

1. *Supporting OMB's and the Category Management Leadership Council's (CMLC's) efforts to promote adoption of category management principles.* Consistent with category management principles in OMB Memorandum M-19-13[1] and OMB Memorandum M-22-03[2] and any additional OMB guidance, NIH will (i) meet periodically with its customer agencies to evaluate how well the GWAC is meeting their needs, including use of "Acquisition 360" surveys, as appropriate, (ii) benchmark to keep prices current, (iii) make appropriate adjustments to pricing, terms and conditions to maximize the value provided to their programs, and (iv) share lessons learned with the CMLC.

   Consistent with category management principles, the resulting CIO-SP4 contract should:

   a) reflect input from a large number of potential customer agencies - especially the largest likely customers - regarding customer demand for the goods and services being considered for strategic sourcing, the acquisition strategy (including contract pricing, delivery and other terms and conditions, and performance requirements), and the commodity management approach;

   b) help agencies achieve greater diversity in their supplier base by facilitating easy customer access to small disadvantaged businesses, women-owned small businesses, service-disabled veteran-owned small businesses, small businesses in Historically Underutilized Business Zones, and other small businesses, and promote small business resilience through on-ramp opportunities and effective post-award support to small business contract holders;

   c) ensure that the Federal Government gets credit for all sales provided under CIO-SP4, regardless of payment method, so that Federal-wide volume-based pricing discounts can be applied;

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[1] *Category Management: Making Smarter Use of Common Contract Solutions and Practices* (March 20, 2019) at https://www.whitehouse.gov/wp-content/uploads/2019/03/M-19-13.pdf
[2] *Advancing Equity in Procurement* (December 2, 2021) at https://www.whitehouse.gov/wp-content/uploads/2021/12/M-22-03.pdf

d) include tiered pricing, or other appropriate strategies, to reduce prices as Federal-wide cumulative sales volume increases;

e) require its contract holders to provide sufficient pricing, usage, and performance data to enable the government to improve their commodity management practices on an ongoing basis; and

f) be supported by a contract administration plan that demonstrates commitment by the executive agent to monitor vendor performance and pricing changes throughout the life of the contract to ensure the benefits of category management are maintained.

2. *Capturing of prices paid under the vehicle and sharing of contract details.* NIH will ensure full tracking of quoting and ordering activities, terms and conditions, contract documents, including full contract line item data, and share this information and prices paid with Federal agencies, to make this information available for both agency-specific and Federal-wide acquisition planning and category management efforts on the Acquisition Gateway.

3. *Continuing support of efforts to improve administrative efficiency and savings*. NIH will provide access, through CIO-SP4, to a number of pre-qualified vendors which allow customer agencies to complete contract actions quickly and efficiently throughout the life of the vehicles.

4. *Submitting annual contract activity reports to OMB.* NIH shall report the following information on the CIO-SP4 GWAC annually by January following each fiscal year that the GWAC is effective, except for the information required by paragraph c, which shall also be reported by June 30 for each fiscal year that the GWAC is effective and cover activities occurring from October 1-March 30. The report shall address information as follows:[3]

a) 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 functional contact area and type of contract (e.g., firm-fixed-price, time-and-material, labor-hour, cost-reimbursement, fixed or award fee, etc.);

b) for each customer agency, the total amount of negotiated price savings determined by the difference between the contract's catalog price versus the ordered price, sorted by functional contact area and type of contract (e.g., firm-fixed-price, time-and-material, labor-hour, cost-reimbursement, fixed or award fee, etc.); and,

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[3] OMB reserves the right to modify these reporting requirements as may be required to inform its understanding of activities conducted pursuant to this designation.

c) the total dollar value of task and delivery awards made to (i) small disadvantaged businesses, (ii) women-owned small businesses, (iii) SDVOSBs, (iv) HUBZone contracts, and (v) all small businesses, inclusive of (i)-(iv); and a comparison of this activity to results achieved under CIO-SP3;

d) the participation of contract holders as follows:
    (i) number and percentage of contract holders to receive awards;
    (ii) the distribution of spend across contract holders; and
    (iii) average number of bid proposals submitted per solicitation, by each socio-economic category as well as for all small businesses (inclusive of socioeconomic small businesses);

e) a summary of actions taken or planned during the reporting period to
    (i) permit on-ramping or off-ramping of contract holders, and
    (ii) provide technical assistance, as appropriate, for existing socioeconomic and other small business contract holders that have received limited work;

f) 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;

g) 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 used to manage and administer each GWAC; and
    (iv) strategy for re-calculating fees to correct any differences between revenue and costs;

h) the amount of work CONUS and OCONUS by dollars and number of transactions;

i) the assessment of customer satisfaction with contracts covered by the designation (using performance measures and benchmarks);

j) a high-level discussion of the ways contracts for advanced technologies are being used to eliminate acquisition steps, automate low value activities, and support greater efficiency in the performance of high value activities;

k) a high-level discussion of the specific ways in which NIH is encouraging customers of the CIO-SP4 program to use innovative strategies highlighted in the Periodic Table of Acquisition Innovation or other innovative measures to reduce friction in their transactions;

l) the total number and cumulative value of task orders issued which do not comply with FAR Part 37.6, performance-based contracting;

m) total dollar value of fees collected and the percentage and dollar amount credited to the Acquisition Workforce Training Fund in accordance with 41 U.S.C. § 1703(i)(3); and,

n) management or operational weaknesses (including customer misapplications) identified by the program, agency Inspector General, or Government Accountability Office, and remedial steps that have been taken or are planned.

B. Additional responsibilities for the strategic interagency acquisition of information technology

1. *Supporting initiatives led or sponsored by OMB, the Chief Information Officers Council, and Chief Information Security Officers Councils' to modernize federal IT and improve cyber security*. NIH will strategically support Federal IT modernization and cyber security efforts through its IT Vendor Management Office (ITVMO) supporting the development of government-wide capabilities in the areas of:

    (1) IT Data analytics - Provide insights on cost, spend, and contracting data to maximize acquisition strategies.

    (2) IT Vendor relationship management - Provide single gov-wide office to focus and scale industry and agency engagement.

    (3) IT BIC solution management - Provide integration and contracting support to reduce duplicative efforts and improve use of BICs.

    (4) IT Security and Supply Chain Risk Management - Provide risk analysis and assessment to monitor the technology footprint and minimize acquisition risks.

    (5) IT Subject Matter Expertise - Provide domain expertise to inform IT purchasing best practices.