DETERMINATION & FINDINGS

This is a determination and findings for contract type. This documents the decision to award a time and material- requirements type task order for information technology services that are required for the following:

Title:

PR and/or Requisition #:

Program Office:

In accordance with FAR Part 16, the following are the applications and limitations for use of time and material and requirements type contracts:

# Time and Materials Type Contracts

*Application*. A time-and-materials contract may be used only when it is not possible at the time of placing the contract to estimate accurately the extent or duration of the work or to anticipate costs with any reasonable degree of confidence.

*Limitations for Time Material Contracts -*  A time-and-materials contract may be used (1) only after the contracting officer executes a determination and findings that no other contract type is suitable; and (2) only if the contract includes a ceiling price that the contractor exceeds at its own risk. The contracting officer shall document the contract file to justify the reasons for and amount of any subsequent change in the ceiling price.

Findings for Time & Material Type Contract:

1. At the time of task order award, neither the Government nor the Contractor will be able to estimate accurately the extent or duration of the work or anticipate costs with any reasonable degree of confidence. The level of effort for the required information technology services to include operations, maintenance, and engineering services will depend on variables that are not known prior to task issuance. Some of these variables include:

* After extensive market research on the Government’s needs for (insert requirement), it was evident that there was no existing commercially available off-the-shelf (COTS) solution that could satisfy the Government’s requirements. Any potential use of COTS would require extensive modifications and customizations that would eliminate any and all benefits derived from a commercial solution; creating an unconscionable level of risk for quality, schedule, and cost to the Government.
* Given this state of the market, the Government will use agile methods to develop an open-source software solution to satisfy its requirements while mitigating the risks of traditional waterfall development approaches.

The awardee contractor will develop the system per the defined scope, known as

the “product vision,” which is detailed in the “product backlog”. The software developers will use descriptive statements for the value described in the product vision, known as “user stories,” while the Government manages an evolving priority order for those descriptive user stories. Note that user stories focus on the problem to be solved by each feature (alternatively, the value to be delivered to the user) rather than describing the details of the feature itself. This approach allows developers to focus on the actual preferences and needs of the users of the system through constant feedback, rather than trying to predict them. This evolving, prioritized description of the product vision is called the “product backlog.” It is a technical instrument that always reflects the Government's most up-to-date understanding of requirements, based on project progress.

The contractor will complete user story development from the product backlog in time-boxed iterations known as “sprints,” typically two calendar weeks. Rather than attempting to complete the entirety of the backlog in any given sprint, the contractor will select a subset to deliver, based on priority, for each given sprint. The order of delivery of these requirements will be refined over the course of performance in response to user feedback and evolving mission concerns. This adjustment to the product backlog, known as “grooming”, has an overarching effect on the day-to-day performance.

Because delivery of working software is on a very fine-grained schedule (i.e., every two weeks), actual time spent working by the vendor will vary and actual software to be delivered will also vary. The variations are due to natural variation in employee availability (leave, sickness, training, etc.) and also to the nature of technical challenges specific to each user story, hence specific to each sprint. Due to this variation, it is not accurate to pay vendor a standard amount for each sprint. It is both more accurate and also possible to pay the vendor for actual work accomplished during the sprint, and to evaluate performance on a sprint-by-sprint basis. This approach results in lowering Government costs and risk.

During the course of performance, software will be delivered based on the acceptable quality levels defined by the quality assurance surveillance plan (QASP). The QASP also mandates an inspection point to ensure that the delivery of a working, tested iteration of the to-be system which includes newly delivered stories. During these inspections, the Government is be able to integrate and incorporate feedback into the next sprint’s work that would not be possible otherwise.

1. No other contract type will be suitable for this task order. Because of the uncertainty of the work, a fixed price type task order cannot be reasonably negotiated, and only a T&M task order type can be reasonably awarded.
2. The task order will be issued with a ceiling price that the Contractor shall not exceed.

Determination:

After considering the technical requirements and related technical factors that were presented by the Program Manager, the Contracting Officer hereby determines that a time and material – requirements type contract is in the best interest of the Government for securing the required information technology services.

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Program Manager Date

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Contracting Officer Date