

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER**

**DETERMINATION AND FINDINGS
FOR
PRICE REASONABLENESS**

AGENCY: Office of the Chief Information Officer
CONTRACT NO: CFOPD-22-C-021
CONTRACTOR: OST, Inc.
CAPTION: OCFO Staff Augmentation Managed Service Provider

FINDINGS

1. AUTHORIZATION:

D.C. Municipal Regulations Title 27 §3307 and PPRA §419

2. MINIMUM REQUIREMENTS:

The District of Columbia Office of the Chief Financial Officer, Office of the Chief Information Officer (OCIO) (the “District”) has a requirement for an OCFO Staff Augmentation Managed Service Provider.

3. ESTIMATED REASONABLE PRICE AND REASONABLENESS DETERMINATION:

The total reasonable not to exceed of the contract is \$10,000,000 based on the contractor’s competed, reasonable pricing and the District’s estimated usage.

- (a) The cost of this contract is of a type generally recognized as ordinary and necessary for the conduct of the contractor or the performance of the contract.
- (b) This contract includes the restraints or requirements imposed by generally accepted sound business practices, arms-length bargaining, federal and District laws and regulations, and contract terms and specifications.
- (c) This action is an action that a prudent business person would take, considering responsibilities to the owner of the business, employees, customers, the District, and the public at large.
- (d) There are no significant deviations from the established practices of the contractor that may unjustifiably increase the contract costs.
- (e) There are no other relevant factors that should be noted at this time.

4. JUSTIFICATION OF REASONABLENESS OF PRICE:

The Contracting Officer has performed an analysis to determine the reasonableness of the price and the Contracting Officer has found that the price is fair and reasonable.

The Contracting Officer has compared pricing of the proposed contract to the OCFO's independent cost estimate. The contractor proposed contract pricing is 29% lower than the OCFO's independent cost estimate. The Contracting Officer has compared pricing of the proposed contract with the competitor's pricing and determined that the proposed contract pricing is 29% lower than the competitor's pricing.

The Contracting Officer has determined the difference to be fair and reasonable as the contractor's price proposal cover page narrative describes its budget methodology and detail cost factors that includes using information from an authoritative third-party source, utilizing the contractor's Rate Scientist Team's expertise, the contractor using the same data analytics and science that saved over \$100 million for a recent client, and that the contractor performed a re-evaluation of all rates resulting in its final proposed pricing schedule. The contractor has further agreed that if the OCFO requests an upward adjustment of the awarded hourly rate to match the current subcontractor rate being paid for incumbent resources, for the purposes of retaining the incumbent resource for the benefit of the OCFO, the contractor's MSP Fee will stay fixed at the originally awarded rate and the contractor will receive no benefit from any upward adjustment to the bill rate paid by the OCFO in excess of the originally awarded rate for transitioned incumbent resources.

DETERMINATION

Based on the above reasonableness findings and cost price analysis, it is hereby determined that the award of the proposed contract to OST, Inc., is reasonable and is in the best interest of the Government of the District of Columbia.



Drakus Wiggins, CPPO, CPPB
Contracting Officer

03/17/2022

Date