



Background and Summary:

Today more than ever, the government must ensure that it spends money wisely and eliminates waste and abuse of taxpayer dollars. With approximately one out of every ten dollars of federal government spending going to industry partners, it is imperative that contract actions result in the best value for the government.

On July 6, 2020, the Office of Management and Budget (OMB) introduced the Frictionless Acquisition Cross-Agency Priority (CAP) goal under the framework of the President's Management Agenda (PMA).¹ The primary focus of this new CAP goal is to modernize government acquisition in three work streams: 1) business models and practices that focus on reduced acquisition lead-times, increased customer self-service, and trusted partnerships with both small and large business industry partners; 2) a "hi-definition" acquisition information environment that supports the modernized collection, analysis, availability, and visualization of acquisition data for smarter and faster mission decision-making; and, 3) a vision for the workforce of tomorrow where acquisition professionals leverage technological advances to deliver the best customer service and mission support.

In support of the Frictionless Acquisition CAP goal, specifically the second strategy to modernize the acquisition information environment, the Internal Revenue Service will be utilizing its Pilot IRS program. The purpose of Pilot IRS is to set forth an incremental and modular approach to identifying, testing, and deploying solutions that support our mission, regardless of whether or not that solution, technology, or firm currently resides within the federal government. Inherently, this process will represent some risk, as the technologies may not currently be developed or available; however, the government recognizes that risk is inherent to the operations of any organization, and acknowledge that we must sometimes accept risk in order to further the federal government's mission.

In order to achieve that purpose, Pilot IRS has established an approach where solicitations/calls and proposals/bids will be simple for firms to create and the government to evaluate, and decisions will be made in a streamlined and accelerated timeframe. Multiple Solution Challenges (SC) will be released under the broader Pilot IRS framework set forth within this document (this is the second Solution Challenge), each highlighting an area that is being explored (i.e., Robotic Process Automation or Optical Character Recognition), and setting out specific phases for funding decision points for that SC.

In this version of Pilot IRS, the maximum dollar amount for any single project, across all funded phases, will be \$7 million. In most SCs, phases will become longer and be funded in greater amounts as they progress. It is important to note that future versions of Pilot IRS may include different maximum dollar amounts (higher or lower), for either phases, portfolios, or individual transactions. Rough scopes of work and funding ceilings for each phase will be established at the beginning of the Pilot IRS process, with the understanding that additional clarity will be established at the end of each preceding phase. In other words, the specifics of the work/cost for Phase 2 will be established as part of the work completed in Phase 1, and the specifics of Phase 3 at the end of Phase 2, etc. Depending on results and mission priorities, the IRS will decide to fund all, some, or none of the project at each phase; it is important to note that there is no guarantee for funding for planned/future phases.

¹ The full text of the President's Management Agenda, as well as additional information on Cross-Agency Priority goals, can be found at www.performance.gov.

Throughout the process, the IRS will post information regarding the outcomes, technologies and firms that have received funding, lessons learned, and potential IRS applications. Any solutions/technologies that complete an entire series of funding under Pilot IRS will be competed fully if additional effort or future deployment is desired by the IRS.

Introduction and Goals²

Introduction:

The federal government struggles at times with identifying ways to test, purchase, and deploy innovative technology solutions. A large function of this is how long it takes to not only purchase the actual solution, but also test it, provide feedback, and ultimately decide how (and whether) to deploy the solution. In other words, this is not simply a 'how quickly can we buy it', but also a 'how do we test it and decide whether or not to fund it for deployment'. There are also times when the federal government prescribes a specific approach to a solution, and then asks who can do it best, and for the lowest price. This can limit innovation, and is often not the best approach when looking for emerging technologies and how their inclusion can benefit the government.

Goals:

Pilot IRS has three goals: 1) to promote innovative responses to challenges; 2) to broadly communicate areas of interest in the innovative solutions and technologies arena; and, 3) to create a streamlined progression from concept to prototype, testing, and limited deployment that allows for incremental funding decisions for promising solutions and technologies. As noted previously, the effort outlined in this document is being pursued in support of the Frictionless Acquisition CAP Goal High Definition strategy. That strategy calls upon the government to modernize the collection, analysis, availability, and visualization of acquisition data for smarter and faster mission decision-making.

Goal 1 - Promote Innovative Responses to IRS Challenges

Pilot IRS is predicated on the concept that a major hurdle to doing business with the federal government is a perceived (or otherwise) lack of pertinent information and a lack of direct and near-term feedback on technologies and proposals. In order to promote innovative responses to the challenges that the government faces, Pilot IRS will focus on providing information throughout the process regarding its requirements (to include direct engagement with various end-users), and providing direct feedback on proposals in a matter of weeks rather than months.

Goal 2 - Broadly Communicate Challenges and Technologies that Interest IRS

Prior to any funding decisions, Pilot IRS will broadly communicate the challenges it is facing, as well as any initial thoughts on promising solutions/technologies/approaches. Because of its mission, the federal government cannot share all of the information about how it addresses these challenges, but it can share more about its efforts so firms can make more informed decisions about whether and how to pursue business with the federal government. Throughout the entire process, the IRS will post information regarding the outcomes, lessons learned, and potential applications. This information will be publicly available, but will not include any intellectual property or proprietary information.

Goal 3 - Streamlined Progression from Concept to Prototype, Testing, and Limited Deployment

A frequent problem within the federal government occurs, ironically, when a pilot technology/solution has been particularly successful within an agency. Federal procurement rules preclude (with some

² A significant portion of the text included in this section applies to the overarching Pilot IRS approach, and has been included in previous documents. It is being provided again, with minor edits for the current SC, to support those who may not be familiar with the concept.

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exceptions) identifying a particular technology or firm for funding based on a previous, separate contractual arrangement, regardless of how successful it may have been. By identifying streamlined submission/evaluation procedures and a structured progression from concept to prototype, testing, and limited deployment using phases, Pilot IRS seeks to avoid many of these issues. Additionally, this SC will emphasize scaling of successful outcomes across the federal government (i.e., use of the solution by more and more users), and adding more and more sets of data in an ongoing, iterative manner.

The specific approach/process for each SC and its respective phases will vary, but in general, each phase will build on the previous one, and funding amounts and durations will increase as phases progress. Most SCs will include an initial brief written proposal with some proposals being selected for an oral presentation. Rough scopes of work and funding ceilings for all phases will be proposed during the initial response, with the understanding that additional clarity will be established at the end of each preceding phase. In other words, the specifics of the requirements/cost for Phase 2 will be established as part of the work completed in Phase 1. Depending on results and mission priorities, the government will decide to fund all, some, or none of the project at each phase.

For those who are familiar with traditional government procurements, Pilot IRS will appear substantively different from how the government normally buys technology.

To be fair, it is.

This type of approach is more often used in research and development environments, but there are existing regulations that allow federal agencies to buy commercial items in a manner similar with how the private sector would. Pilot IRS will aggressively pursue a streamlined and cost-effective approach to testing and deploying technology solutions that will have an immediate impact on the government's mission.

Thank you for your interest, and welcome aboard.

Solution Challenge (SC) Two - Labor/Wage Data Mashing

A primary activity for government acquisition professionals is estimating and negotiating costs and prices for contracts (although there are important distinctions and nuances around prices versus costs in the federal arena, this document will refer to these collectively as prices). This includes generating independent government cost estimates (IGCEs) prior to release of requests for bids/proposals, analyzing proposed prices from multiple firms, negotiating with individual firms both during and after the source selection process, and other related tasks.

There is a significant amount of data provided by government entities in this arena, including (but not limited to) information generated by the Bureau of Labor Statistics, the General Services Administration, and annual reports on the prices the federal government pays for services. Similarly, there is a significant amount of data generated by private entities in this arena. Maximizing the use of existing labor/wage data will result in better acquisition planning, improved contract negotiations, and lower taxpayer costs. Furthermore, a solution that combines multiple data sources (the example sources included above and additional sources) in a user-friendly format will allow use of this data in a 'just-in-time' fashion to make smarter and faster decisions.

This solicitation is for innovative tools to improve access to, visibility around, and analysis of disparate sets of labor and wage data in a manner that will benefit the acquisition community within federal agencies. This data may include commercial labor/wage data sets, though we recognize those data sets may be ingested in future stages of the project. There are no specific solutions or approaches that are being requested; rather, any approach which is focused on the three goals of the solicitation will be considered. The three goals are:

- 1) Automate the analysis of multiple data sets in an easy-to-use, plug and play tool that processes and learns from the data to provide comparison points for evaluating labor rates proposed for use in government contracts.
- 2) Promote use of this information by government personnel during the independent government cost estimating, source selection, and contract negotiation processes (i.e. results in the use of the information by government personnel with limited manual input).
- 3) Achieve near-term and incremental improvements in the number of data sets included, rigor of the analysis, etc.

Although IRS will consider any reasonable solution, we are anticipating a few types of solutions/approaches. We are seeking an automated solution that will analyze and learn from multiple data sets. We are not seeking a solution that simply visualizes available data sets. Nor do we require that the solution house the data sets within the IRS infrastructure; this approach may be unnecessarily costly. There are numerous data sets generated by government entities, including: Department of Labor Bureau of Labor Statistics Occupational Employment Statistics (<https://www.bls.gov/oes/tables.htm>), Wage Determinations (WDOL) (<https://beta.sam.gov/>), General Services Administration Contract Awarded Labor Category (CALC) tool (<https://calc.gsa.gov>), and the annual service contract inventory reporting (<https://www.acquisition.gov/service-contract-inventory>). We recognize that some data sets include contract ceiling rates, while some include prices paid at the order level. Relative to Goal 1 above, we expect the tool to be modular and scalable across other Government and external sites. Relative to Goal 2 above, a possible solution could include upload of an IGCE resulting in an average labor rate and one standard deviation.

We expect there to be some type of feedback mechanism to capture how users feel about the information/views being presented, what other information might be desired, and general metrics. This feedback mechanism could also include the solution learning from its user interactions and adjusting future results. We also expect there to be some sort of configurable interface for the user, to allow

them to modify the level of detail they are interested in seeing, as well as the manner of its presentation (i.e., tables, graphs, heat-maps, etc.). None of these approaches are preferred over another, nor are these the only types of solutions that will be considered. When responding, please keep in the forefront of your mind the three goals (automate the analysis of multiple data sets, promote use of this information by government personnel with limited manual input, and achieve near-term, incremental improvement to data access). For instance, a solution which achieves near-term, incremental improvement but does not promote/result in use of the information by government personnel, may not rate as highly as another comparably priced solution which helps achieve near-term, incremental improvement **and** promotes/results in the use of the information by government personnel.

Phases, Funding Levels and Deadlines:

Phases - There will be three (3) Phases for this SC, as set forth below. It is important to note that the amounts/durations set forth below are Not to Exceed (NTE) amounts/durations. Additionally, the specific efforts and amounts for subsequent phases will be defined at the end of the current phase. In other words, the proposed duration and amount for Phase 2 will be part of the deliverables due at the end of Phase 1.

Phase 1 – Proof of Concept and Prototype: Automation of Existing Data Sources (NTE \$50K / 120 days)

=> Phase 1 will consist of a demonstration of the proof of concept (i.e., a tabletop demonstration of the automation relative to the selected dataset(s)), and documentation supporting the contractor's path ahead for subsequent phases and the recommended or suggested data sets the contractor plans to use. It will also include initial and limited user feedback for the developed prototype. This user feedback may be obtained from users from different agencies.

=> **Phase 1 efforts will not involve connection to or hosting on government systems.**

=> If selected, a contract action for Phase 1 funding will be provided no more than 30 calendar days after selection. Specific deliverables for Phase 1 funding will be based upon the proposed solution, but a standard deliverable for all Phase 1 actions will be a Phase 2 proposal.

Phase 2 - Testing and Pilot/Initial Deployment (NTE \$150K / 150 days)

=> Phase 2 will consist of three types of efforts to expand the scope of the results of Phase 1. First, the user base will be expanded to include a larger number of users, from different agencies. Second, access to additional (and perhaps non-public) data sets may be provided. Third, depending on the nature of the solution and the information being analyzed, Phase 2 may include efforts to deploy on premise or to the Integrated Acquisition Environment (IAE). Return on investment (ROI) will be evaluated during initial deployment. Specifics of the Phase 2 efforts, duration, and amount will be required at the end of Phase 1.

=> Selections and funding for Phase 2 will be made within 5 calendar days from the end of Phase 1. Specific deliverables for Phase 2 funding will be based upon the proposed solution, but a standard deliverable for all Phase 2 projects will be a Phase 3 proposal.

Phase 3 - Deployment (NTE \$6.75M / 4.25 years)

=> Phase 3 will focus on additional deployment efforts within government or government-approved platforms, the inclusion of additional data sets, and the continued demonstration of utility and ROI for the user. One known area of focus during Phase 3 will be the inclusion of the solution into the IAE. Specifics of the Phase 3 efforts, duration, and amount will be required at the end of Phase 2.

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=> As Phase 3 will occur over a longer duration, part of the Phase 3 proposal will focus on appropriate increments/funding amounts (i.e., 6 months, \$700K) based on the proposed solution, which will be tied directly to option periods. Additionally, the IRS expects expansion in the involved data sets, federal agencies, and requirements/reviews/processes, etc. throughout Phase 3. Decisions on whether to continue funding within Phase 3 (i.e., exercise individual option periods) will be based on the success of the proposed solution relative to the goals of this SC.

Deadlines –Proposals are due **Tuesday September 8, 2020 at 08:00 EDT**. No late submissions will be accepted or considered or evaluated. IRS expects to provide approximately \$200K in FY20 funding across all solutions (based on the maximum duration of 120 days for Phase 1, this will not include funding for Phase 2).

=> Responses to the call will be evaluated in two stages. Stage 1 will be a written proposal (no more than 5 pages in length) and should address the technical aspects of the proposed solution, the data sets utilized, feedback mechanisms, and the estimated ROI (i.e., man-hour savings and data points presented). Proposals will be evaluated in terms of technical, past performance, and price, relative to how they address the goals of this SC. Although engagement with the user will be ongoing throughout Phase 1, specific needs/support for government personnel (i.e., weekly status meetings) and assumptions should be outlined in the response. Technical and price proposals must be submitted as two separate documents. Acceptable formats are PDF, Word, and Excel. The 5-page proposal limit applies only to the Technical portion of the proposal. Price proposals must include pricing for all contract phases/periods identified within this solicitation. However, a detailed breakdown of the price elements is not required. Past performance will be evaluated by the Government; references are not required.

=> Based on these written submissions, IRS will select responses for Stage 2, oral presentation or pitch (virtual/over the phone, lasting 30 minutes), during which IRS will ask questions and the respondent will present a funding level and duration, along with the general technical approach, ROI, etc. It is important to note that although these questions will be similar in concept, they will be dependent on the information provided; in other words, there will not be a 'standard' list of questions. If selected for Stage 2, presentations are anticipated to take place within 10 business days after the solicitation closing date. Award/funding decisions will be made after the completion of Stage 2.

Evaluation of Responses and Basis for Award:

The primary goals (intended use) of the tools are:

- 1) Bring together multiple data sets into an easy-to-use visualization or tool that provides comparison points for evaluating labor rates proposed for use in government contracts.
- 2) Promote use of this information by government personnel during the independent government cost estimating, source selection, and contract negotiation processes (i.e. results in the use of the information by government personnel).
- 3) Achieve near-term and incremental improvements in the number of data sets included, rigor of the analysis, etc.

The Government intends to make more than (1) Firm-Fixed-Price award resulting from this solicitation to the contractor(s) whose offer represents the best value to the Government. Comparative evaluations in accordance with FAR 13.106-2(b)(3) will be used to determine the best value based on: Technical (capability of the solution to meet the primary goals), Past Performance, and Price. For price evaluation purposes, the total evaluated price will include the base period and all option periods. Evaluation of option periods does not obligate the Government to exercise the option(s).

Some government procurements will include longer/greater maximum page limits, or adjectival ratings

for a series of technical evaluation factors. Pilot IRS uses different, existing authorities in FAR Subparts 12.6 and 13.5 that govern federal procurement. Selections will be made based on realistic solutions that offer the greatest potential ROI, at the lowest potential cost with appropriate consideration given to the Technical, Past Performance, and Price.

Additional Terms and Conditions:

Although this solicitation aims to limit unnecessary terms and conditions, there are some which are part of virtually every federal procurement. Northern American Industry Classification System (NAICS) Code: 541511 - Custom Computer Programming Services. Product Service Code (PSC) is: D307 Automated Information System Design and Integration Services.

Internet Protocol IPv6:

The contractor shall ensure all IT products and services are IPv6 compliant as specified by the National Institute of Standards and Technology (NIST) developed "A Profile for IPv6 in the U.S. Government – Version 1.0 (USGv6)". This NIST Special Publication 500-267(NIST SP500-267) is available at <http://w3.antd.nist.gov/usgv6/index.html>.

Section 508 Standards:

Each information and communication technology (ICT) product or service furnished under this contract shall comply with the Information and Communication Technology Accessibility Standards (36 CFR, Appendix C to Part 1194). The appropriate Section 508 clause(s) will be incorporated via a contract modification based on the proposed solution.

System for Award Management (SAM):

Successful vendors not already registered in SAM will be required to register prior to award. All awardees shall be registered in SAM prior to award. If contractors are not registered in SAM, they will not be eligible for award. Information regarding SAM registration is available at <https://sam.gov>.

Reimbursement for Proposal Generation Costs:

The Government will not pay for any direct or indirect costs associated with generating responses to this solicitation/call, including travel costs associated with oral / in-person pitches.

Compliance:

If a response does not adequately address this SC, or includes elaborate responses or extensive marketing materials that aren't relevant, the IRS will stop reviewing it and will NOT consider it for award.

Intellectual Property:

Currently, the IRS does not intend to request retention of any intellectual property resulting from or providing the basis for work under this SC, with the exception of the ability to continue using the solutions resulting from government funding. Notwithstanding, intellectual property terms are negotiable, and the IRS intends to use the results of this effort as broadly as they can, to include working with other Treasury bureaus and federal agencies to use the data visualization.

Press Releases:

All press releases must be approved by IRS prior to release. IRS will do its best to provide reviews within 2 business days.

Open Source:

All solutions shall be open source, available in the federal enterprise and available for use by all other federal agencies.

Prohibition on Multiple Proposals

An Offeror shall submit a maximum of one (1) fully compliant proposal in response to the solicitation. Recognizing that the IRS is encouraging innovative solutions, the IRS will only consider one solution per offeror. If an Offeror submits more than one proposal, all proposals will be returned without evaluation since the IRS would have no basis upon which to determine which of the proposals the Offeror desired to have evaluated.

Standard Terms and Conditions:

See Clauses/Provisions attachment. Clauses and Provisions are available publicly at www.acquisition.gov.

Note: Offerors shall submit a completed copy of the following clauses/provisions with their response to this solicitation, this submission of provisions and clauses do not count towards the 5-page limit. If these are NOT received the proposal will NOT be considered for award:

- 52.204-24 Representation Regarding Certain Telecommunications and Video Surveillance Services or Equipment (Aug 2020)
- 52.209-5 Certification Regarding Responsibility Matters (Oct 2015)
- 52.209-11 Representation by Corporations Regarding Delinquent Tax Liability or a Felony Conviction under any Federal Law (Feb 2016)
- 52.212-3 Offeror Representations and Certifications- Commercial Items (Jun 2020)
- IR1052.209-9000 Notification-Organizational Conflicts of Interest (May 2018)
- IR1052.209-9001 Organizational Conflicts of Interest (May 2018)
- IR1052.209-9002 Notice and Consent to Disclose and Use of Taxpayer Return Information (May 2018)
- IR1052.232-9001 Electronic Invoicing and Payment Requirements for the Invoice Processing Platform (IPP) (Jul 2019)
- 1052.239-9010 Information System and Information Security Control Standards and Guidelines Applicability (Jun 2020)