

Congress of the United States
Washington, DC 20515

July 28, 2020

The Honorable Emily Murphy
Administrator
General Services Administration
1800 F Street, N.W.
Washington, D.C. 20405

The Honorable Jovita Carranza
Administrator
Small Business Administration
409 3rd Street, S.W.
Washington, D.C. 20460

Dear Administrator Murphy and Administrator Carranza,

We write to request information about the 8(a) STARS II Governmentwide Acquisition Contract (GWAC). STARS II is a small business set-aside GWAC that has performed well over the years and that recently required its third contract ceiling increase in order to accommodate anticipated agency demand.

We welcome the joint decision by the General Services Administration (GSA) and Small Business Administration (SBA) to increase the contract ceiling by \$7 billion to \$22 billion. We are, however, concerned the decision to shorten the period of performance (POP) deadline for STARS II task orders from August 30, 2024 to June 30, 2022 will have several unintended consequences on agencies that must be reevaluated by GSA and SBA.

First and foremost, the Class Justification and Authorization (J&A) published by GSA regarding the ceiling increase is largely silent on the shortened POP.¹ The shortened period is merely stated as a fact in sections V and XI. Section VIII of the J&A details “important market research information, including the criticality of having the 787 8(a) STARS II industry partners available now to support ongoing and new orders, as well as support for strong demand.” The research outlines the need to continue to use STARS II for COVID-19 related projects, to avoid harm to national security, and to meet critical information security accreditation requirements. These inquiries came from 60 federal customers at several agencies, including the Departments of Health and Human Services, Homeland Security, Treasury, Commerce, Housing and Urban Development, Energy, and the National Science Foundation. The research, however, does not include an evaluation of whether the shortened POP would be responsive to agency needs. As a result, this analysis appears to be incomplete.

In justifying the decision to shorten the POP, GSA has pointed to the fact that the average task order for STARS II is two years in duration. This argument was included in “Talking Points” circulated by GSA, but not in the J&A that accompanied the decision. There is, however, a great irony in using the average task order duration as a justification for the new POP. The new POP and the ceiling increase were announced on June 24, 2020.² The

¹ General Services Administration. *Class Justification and Authorization, 8(a) STARS II*.

² General Services Administration. *GSA Increases Ceiling for 8(a) STARS II Contract*. (June 24, 2020) (online at <https://www.gsa.gov/about-us/newsroom/news-releases/gsa-increases-ceiling-for-8a-stars-ii-contract>)

The Honorable Emily Murphy
The Honorable Jovita Carranza

announcement set a new delivery POP completion date of June 30, 2022 for all new task orders awarded on or after July 1, 2020. This new POP completion date cannot accommodate a two-year task order, unless agencies planned, released a solicitation on, and awarded a task order in the six days between the GSA announcement and July 1. This raises further questions as to why the impact of the new POP on agencies was not further examined ahead of this decision, and whether the shortened POP can accommodate agency needs.

GSA has stated that it plans to accelerate the effort to award STARS III, the planned successor to STARS II. The J&A, however, states that STARS III will not be available for orders for more than a year, which would mean that July 2021 would be the earliest agencies can begin to utilize STARS III. With the expiration for STARS II set for August 30, 2021, even a short delay awarding or issuing a Notice to Proceed for STARS III could create a gap in the availability of one of the most sought after GWACs. In fact, GSA would likely be hard pressed to identify a large information technology (IT) GWAC that was awarded according to schedule, and in fact GSA officials were unable to do so during a staff briefing with House and Senate offices. While this timeline is not new, when combined with the shortened POP, it does introduce additional contracting uncertainty for agencies that are now unable to secure longer term contracts under STARS II.

In order to help us better understand the decisions made by GSA and SBA with regards to STARS II and the related fallout, please provide our offices with answers to the following questions by August 14, 2020.

- How and when were agencies notified of the new POP for STARS II? Have any agencies or contracting officials registered concerns with GSA and SBA regarding the notification or lack thereof?
- How many agency solicitations or planned solicitations have been cancelled since GSA and SBA announced the new POP for STARS II?
- Have GSA and SBA received any outreach or communications from federal agencies about the new POP? Have agencies shared with GSA and SBA that the new POP will have an adverse impact or will limit their contracting options? If so, what is the nature of that feedback?
- What is the total contract value of task orders under STARS II that have a two-year or less duration? What percentage of the total contract value of all STARS II task orders does this number comprise?
- How many task orders with a two-year duration have been awarded under STARS II since July 1, 2020?
- In the last 5 years, how many IT GWACs, and which ones, have been awarded according to the original schedule announced by GSA? How many have had an award delay from GSA's original award estimate and what was the duration of the delay?
- In light of the concerns raised by the new POP, have GSA and SBA considered reverting the POP completion date to August 30, 2024?
- Would GSA and SBA consider further dialogue to understand the full implications of the POP change?

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Thank you for your prompt attention to this matter.

Sincerely,



Gerald E. Connolly
Member of Congress

s/ Mark R. Warner
United States Senator

s/ Tim Kaine
United States Senator

s/ Chris Van Hollen
United States Senator

s/ Donald S. Beyer Jr.
Member of Congress

s/ Ben McAdams
Member of Congress

s/ Jennifer Wexton
Member of Congress