



**SFA Modernization Partner Project**  
**LEGACY CONTRACT TRANSITION PLAN**  
Central Data System (CDS)  
Executive Summary

**Recommendation**

Because it is expected that the simplification of CDS will not be completed until November 2000 and to allow time for any additional testing which might be needed during the CDS processing cycle, it is recommended that the CDS contract be extended on a sole source basis for eight (8) months, through May 31, 2001 and include one additional six-month option period.

Andersen Consulting (AC), as the Modernization Partner, has identified 23 initiatives which it has recommended that SFA execute. In the architecture being proposed by the Modernization Partner, there is a 3 tiered initiative being recommended for streamlining CDS: 1) eliminate redundant or non-essential functions; 2) migrate some functions “Upstream” to other SFA systems; and 3) migrate other functions “Downstream” to the DLSS. AC estimates that this may be accomplished by November 2000, at the earliest. Because the current contract expires September 30, 2000, a sole source extension to the existing contractor will be needed to continue to maintain service. In fact, the underlying contract (the Direct Loan Servicing Contract) under which CDS resides will remain in effect for three more years. Thus any extension of the CDS portion of the contract is not thought to be high risk. If this is the case, negotiations should begin as soon as possible since the CDS portion of the contract expires September 30, 2000.

The current initiative will drastically reduce inter-system edits, while continuing to support the same set of business objectives at reduced processing and maintenance costs. The proposed approach would retire the following 5 (of 12) main CDS processes because of duplication with other Direct Loan systems:

- Edits
- Transaction Routing
- ICR Waivers
- System Balancing
- LO/LS Images

## Source Selection Information – See FAR 3.104

The remaining seven processes would be migrated to other systems as follows:

- Order of Incoming Transactions (Direct Loan Servicing System)
- Data Stores and Transformation (Direct Loan Servicing System)
- EDA (Direct Loan Servicing System)
- Routing LO/LC Cash Transactions and Drawdowns (Direct Loan Servicing System)
- Interface Support (Direct Loan Servicing System)
- School File Updates and maintenance (Loan Origination System)
- Delinquency Reporting (Data Warehouse)

### **Statutory Authority:**

The statutory justification for other than full and open competition is based on Federal Acquisition Regulation 6.302-1 (a) (2) (11) (B), which states: “**6.302-1 Only one responsible source and no other supplies or services will satisfy agency requirements.** (a) *Authority* ... (2) When the supplies or services required by the agency are available from only one responsible source.”