

FEDERAL SUPPLY SCHEDULE LIMITED-SOURCES JUSTIFICATION

Acquisition Title: Durable Medical Equipment (DME) Claims Processing System

Agency: Centers for Medicare & Medicaid Services

Acquisition Year: FY2026

Author: [REDACTED]

1. Description of Action:

Nature:

- Modification of Existing Purchase Order / Contract

Number Contract Type:

- Time and Materials

Total Projected Cost / Price: [REDACTED]

Name of Proposed Contractor(s):

General Dynamics Information Technology (GDIT)

Street Address: 3150 Fairview Park Drive

City, State, Zip: Falls Church, VA 22042

1. Description of Supplies or Services:

Medicare Part B covers physician and practitioner services, outpatient services, Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), including the processing of DME claims. The DME Shared System Maintainer (SSM) provides the computer software services that support the DMEPOS claims processing system, including maintenance, development, modernization, and special projects required by CMS.

CMS awarded a task order to [REDACTED] on February 9, 2026, through a General Services Administration (GSA) Multiple Award Schedule (MAS) competitive order, with a period of performance from February 9, 2026, to February 8, 2031. A

[REDACTED] CMS to issue a stop-work order. As a result, the work continued under the incumbent legacy contract until 5/31/2026.

CMS issued a sole source follow on bridge order to GDIT on May 22, 2026, with a period of performance of June 1, 2026, to September 14, 2026, as work under the previous contract expired May 31, 2026. This sole source follow on order was necessary as the stop work order [REDACTED]

[REDACTED] making an additional extension necessary to sustain DME services. Because the transition also requires four months of concurrent performance by the outgoing and incoming contractors, CMS determined a modification was needed to cover both the stop-work period and the transition-out period. CMS will award this modification to the incumbent, General Dynamics Information Technology (GDIT), as a Time and Materials (T&M) order.

Bridge Order Period of Performance:

Base period: June 1, 2026, to September 14, 2026 (exercised)
Optional Period: September 15, 2026, to February 8, 2027

2. Authority:

ORDER AGAINST FSS: Authority of the Multiple Award Schedule Program, Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251, et seq.); Title 40 U.S.C. 501, Services for Executive Agencies; and Section 803 of the National Defense Authorization Act of 2002 (PL 107-107) and implemented by GSAM 538.7104-3. Mark the applicable exception and for each discuss how the cited authority applies in accordance with GSAM 538.7104-3

- ✓ **The order should be based on a sole source basis in the interest of economy and efficiency because it is a logical follow on to an FSS order already issued on a competitive basis**

Awarding a follow-on order to GDIT is the most economical and efficient approach for the following reasons:

- **Economy:** Competition for these services would be unlikely to yield cost savings, as a new contractor would need to replicate work already completed by GDIT. Any other source would require transition before they were capable of performing the needed work at an acceptable level of quality.
- **Efficiency:** GDIT, as the incumbent contractor, possesses unique knowledge of the DME system, ongoing work, and transition requirements. No other contractor can perform these specific transition-out activities without significant disruption and cost to the Government. Investment would be wasted if another transition to a different contractor became necessary.
- **Resource Impact:** The original task order was competed under fair opportunity procedures. Competing this requirement again would place unnecessary demands on CMS resources, including solicitation development, proposal evaluation, and source selection. It is not reasonable to believe that any potential source other than the incumbent would be selected.

3. Market Research:

Market research was completed including a review of skill sets and expertise regarding the DME services. While other companies possess the technical capability to perform the work, GDIT is currently performing this work and has DME specialized experience. No information from market research would change the contracting approach or justify the risks associated with transitioning to a new contractor at this critical stage. Conducting a new competition at this time would require a new contractor to repeat work already completed, resulting in program disruption, inefficiency, and increased cost to the Government.

4. Actions to Increase Competition:

CMS already conducted a fair opportunity competition for the required services. The need for this modification to the bridge order is solely the result of a protest-related delay. CMS will resume transition to the newly awarded contractor upon protest resolution.

5. Any other facts supporting the justification:

This modification will greatly benefit CMS by allowing DME services and transition out tasks. This will allow DME services to continue until a new contractor is on-boarded and avoids major disruptions to CMS on transition activities. This modification will also mitigate the risk of premature loss of essential staff resources expertise during this period.

Approvals:

1. **Program Office Certification:** This is to certify that portions of this justification have been developed by the undersigned program office personnel, including supporting information and/or data verifying the Government's minimum needs, schedule requirements and other rationale, which form the basis for this Limited Source Justification.

[Redacted Signature]

Contracting Officer Representative (COR) / Date

[Redacted Signature]

Program/Project Manager (P/PM) / Date

2. **Contracting Officer Certification and Best Value Determination:**

This is to certify that the justification for the proposed acquisition has been reviewed and that to the best of my knowledge and belief, the information and/or data provided to support the rationale and recommendation for approval, is accurate and complete.

By my signature below, after review of the relevant documents, I have determined that the order subject to this Limited-Sources Justification represents the best value for the Government as set forth in FAR 8.4, and constitutes a fair and reasonable price. The basis for my determination is as follows:

After review of relevant documents, I have determined that the order represents the best value for the Government and constitutes a fair and reasonable price consistent with FAR 8.4/GSAM 538.71. GSA has already determined prices under schedule contracts to be fair and reasonable. The Contracting Officer is confident that sufficient resources and information exist to negotiate a fair and reasonable price on a sole source basis with GDIT.

[Redacted Signature]

Contracting Officer / Date

3. **CMS Competition Advocate Approval**

I hereby confirm the circumstances described above apply and approve the Limited Source Justification.

[Redacted Signature]

Name / Date

4. Head of Contracting Activity (HCA) Approval

I hereby confirm the circumstances described above apply and approve the Limited Source Justification.

____ N/A _____
Name / Date

5. Office of Small and Disadvantaged Business Utilization

____ N/A _____
Name / Date

6. OGC Legal Review

____ N/A _____
Name / Date

7. HHS Competition Advocate Approval

____ N/A _____
Name / Date

8. Senior Procurement Executive (SPE) Approval

Based on the foregoing justification, I hereby confirm the circumstances described above apply and approve the Limited Source Justification.

____ N/A _____
Name / Date