

Justification for Other Than Full and Open Competition
Authority: FAR 6.302-2 Unusual And Compelling Urgency

1. IDENTIFICATION OF THE AGENCY AND THE CONTRACTING ACTIVITY, AND SPECIFIC IDENTIFICATION OF THE DOCUMENT AS A "JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION."

U.S. Office of Personnel Management (OPM)
Office of Procurement Operations
1900 E St., NW, Washington, DC 20415

2. NATURE AND/OR DESCRIPTION OF THE ACTION BEING APPROVED.

41 United States Code (U.S.C.) 3304(a)(2) states, in relevant part:

(a) When Noncompetitive Procedures May Be Used.—An executive agency may use procedures other than competitive procedures only when—
[...]

2) the executive agency's need for the property or services is of such an unusual and compelling urgency that the Federal Government would be seriously injured unless the executive agency is permitted to limit the number of sources from which it solicits bids or proposals;

The regulatory authority implementing 41 U.S.C. 3304 allowing for other than full and open competition is Federal Acquisition Regulation (FAR) subsection 6.302-2, Unusual and Compelling Urgency.

Due to the circumstances described herein, the activity requests authority to acquire Workday, Inc. products and services using Other than Full and Open Competition as prescribed by FAR 6.302-2, Unusual and compelling urgency.

A sole-source award to Workday is necessary due to an urgent confluence of operational failures and binding federal mandates that require immediate action. OPM's fragmented and outdated HR systems have reached a critical failure point, resulting in payroll errors, benefits disruptions, and a manual workload that is no longer sustainable.

Simultaneously, recent Presidential directives impose strict deadlines for workforce restructuring and merit-based hiring reforms, requiring real-time workforce data and integrated HR capabilities that OPM's current systems cannot deliver.

Market research confirms Workday is capable of meeting these urgent federal-specific requirements within the required implementation window.

Competing this requirement would result in a delay of six to nine months, jeopardizing compliance, escalating costs, compliance with other legal mandates including Presidential directives, and impairing core mission delivery.

This individual sole source will result in a new contract with a firm fixed price pricing arrangement via the open market using FAR 13 and 12 procedures. The period of performance for this effort will be 12 months.

3. A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS (INCLUDING THE ESTIMATED VALUE):

The Agency requires an integrated, cloud-based Human Capital Management (HCM) solution that can be rapidly deployed to meet urgent operational and regulatory needs. The required solution must provide end-to-end HR lifecycle support within OPM, including but not limited to:

- Core HR and personnel action processing
- Payroll and benefits integration and audit-ready reporting
- Time and attendance tracking
- Talent acquisition and performance management
- Compliance with federal-specific requirements, including Title 5, electronic SF-52 routing, and audit trails.

The solution must be fully interoperable with existing federal IT systems and must be compliant with FISMA, FedRAMP, and other applicable standards.

This requirement stems from the need to replace OPM's aging and fragmented HR infrastructure, which is expected to lead to over 2,000 manual labor hours to develop RIF registers and an inability to process the expected doubling of the retirement application backlog with the same quality of service, a requirement which has only been learned in the last few weeks as employees have opted into VERA and the second tranche of the Deferred Resignation Program. Impending merit hiring and performance management reform require interconnectedness across HR systems that is not possible today.

This solution must be in place as close as possible to July 15, 2025, the day the federal hiring freeze is expected to end, to ensure OPM's compliance with Presidential Hiring Freeze Memorandum and Executive Order on Federal Hiring Reform.

4. AN IDENTIFICATION OF THE STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION:

- _____ 6.302-2 Unusual and compelling urgency.
- (a) Authority.
- (1) Citations: 10 U.S.C. 2304(c)(2) or 41 U.S.C. 253(c)(2).

5. A DEMONSTRATION THAT THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR THE NATURE OF THE ACQUISITION REQUIRES USE OF THE AUTHORITY CITED:

The use of FAR 6.302-2, Unusual and Compelling Urgency, is warranted due to the intersection of an operational crisis and binding statutory mandates that demand immediate and comprehensive remediation of OPM's human capital management capabilities.

A. Nature of the Urgency

OPM is experiencing a systemic breakdown in its HR, payroll, and benefits infrastructure, evidenced by payroll errors, retirement processing delays, grievance filings, and serious data reconciliation failures. These challenges are further compounded by the Presidential Hiring Freeze Memorandum (January 20, 2025), Reforming the Federal Hiring Process and Restoring Merit to Government Services Memorandum (January 20, 2025) and Implementing The President's "Department of Government Efficiency" Workforce Optimization Initiative Memorandum (February 11, 2025), which mandates the submission of a fully compliant, merit-based hiring plan within 120 days and limits new hires to a 4:1 attrition ratio. Additionally, increased retirements due to federal workforce reductions place a strain on OPM's paper-based retirement system, a process which normally takes 3-5 months, a problem an integrated system will help solve.

Compliance with these mandates requires real-time visibility into workforce attrition, authorizations, vacancies, and onboarding—all of which are impossible to achieve with the agency's current fragmented systems. Any delay beyond July 15, 2025, the date the hiring freeze is scheduled to end (Extension of Hiring Freeze Memorandum, April 17, 2025) and 4:1 ratio to begin, would result in failure to comply with OMB deadlines, disruption to retirement services, and over \$600 thousand in labor-intensive workaround costs.

B. Why Only the Proposed Contractor Can Meet the Need Within the Timeframe

OPM has identified Workday as the only vendor capable of meeting the agency's immediate, multifaceted requirements. Workday's integrated Human Capital Management (HCM) suite uniquely provides:

- End-to-end integration of core HR, payroll, time and attendance, talent management, benefits, and workforce planning in a single cloud-based platform.
- Real-time dashboards, scenario modeling, and compliance tracking.
- Proven scalability, demonstrated by its deployment at Walmart (the largest private U.S. employer) and over 60% of the Fortune 500.
- Support for federal-specific requirements, including Title 5 compliance, electronic SF-52 routing, audit trails, and delegation management.

- Modular deployment capability, allowing prioritized rollouts of payroll, core HR, and workforce analytics within the approximate 90-day window.

Workday's Department of Energy implementation confirms its federal readiness and interoperability. Additionally, market research and inter-agency consultation found no other provider that meets this combination of requirements with similar speed, scale, and government experience.

C. Why Competing This Requirement Is Not Feasible

Initiating a full and open competition would introduce a delay of 6 to 9 months, well beyond the approximate 90-day window imposed by Presidential mandates. This delay would:

- Prevent compliance with White House and OMB deadlines, risking administrative penalties and reputational damage.
- Require continued reliance on disjointed legacy systems and manual workarounds, projected to cost the agency hundreds of thousands of dollars in additional labor during FY 2025 alone.
- Further erode employee trust in the agency's ability to manage HR, payroll, and retirement functions.
- No other vendor currently offers the combination of immediate deployability, federal compliance, and total HCM integration necessary to meet OPM's urgent operational and regulatory needs.

This acquisition is not the result of poor planning, but rather a response to an unanticipated acceleration of operational crises and federally imposed deadlines. Workday is the only responsible source capable of delivering the required capabilities within the time available, and full and open competition with other vendors would result in unacceptable delays, noncompliance, and mission failure.

6. A DESCRIPTION OF EFFORTS MADE TO ENSURE THAT OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS IS PRACTICABLE, INCLUDING WHETHER A NOTICE WAS OR WILL BE PUBLICIZED AS REQUIRED BY [subpart 5.2](#) AND, IF NOT, WHICH EXCEPTION UNDER [5.202](#) APPLIES:

This acquisition is being made under the authority of FAR 6.302-2. Due to the urgency of the requirements outlined above, complying with the standard timeframes in FAR 5.203 for full and open competition would significantly impair OPM's operations and risk noncompliance with Presidential mandates. A delay in award and implementation would lead to millions of dollars in additional costs and reduced service delivery to employees and retirees.

7. A DETERMINATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE:

The pricing proposed by Workday has been determined fair and reasonable. The estimated cost is more than a 70% decrease compared to OPM's current HR technology stack. Additionally, Workday consolidates all of these functions into one unified platform, providing not only savings but also substantial operational efficiencies. Additionally, swift implementation would help save over \$600 thousand of additional dollars in manual processes related to RIFs, retirement, 4:1 attrition ratio tracking, and merit hiring and performance management implementation.

8. A DESCRIPTION OF THE MARKET RESEARCH CONDUCTED (see FAR [part 10](#)) AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

OPM conducted extensive market research to identify viable alternatives to Workday, Inc. capable of delivering a federal-compliant Human Capital Management (HCM) solution within a 90-day timeframe.

Recent research included:

- **Direct consultations** with other federal agencies and private sector companies that implemented cloud-based HCM platforms, including a review of the Department of Energy's deployment of Workday.
- **Review of industry analyst reports**, indicating Workday has leading deployment abilities, the most important criteria for OPM given the immense time pressure, and is a leader in federal-scale deployments, usability, and configurability.

One vendor, Dayforce, expressed interest. However, Workday is unique due to its automated SF-52 routing, delegated authority compliance, and demonstrated federal readiness. Additionally, Workday has the most Fortune 500 customers (over 60%), including Walmart, the largest private employer in the U.S., establishing a bigger track record of scalability than any other provider.

Based on the totality of evidence from agency benchmarking, commercial reports, and federal deployment history, Workday Inc is the **only responsible source** able to satisfy the urgent and federally tailored nature of this requirement within the time constraints imposed.

9. ANY OTHER FACTS SUPPORTING THE USE OF OTHER THAN FULL AND OPEN COMPETITION:

Further delay in acquiring and deploying a modernized HR system would impose significant financial, legal, and reputational risks to OPM. Specifically:

Manual processes required to maintain HR operations under current systems are projected to cost over \$600 thousand in FY 2025 alone, based on internal labor analysis of RIF register creation, retirement processing, and workforce reporting.

Payroll errors (including overpayments, missed payments, and inaccurate tax withholdings) have triggered formal grievances and loss of confidence among employees, undermining OPM's mission to serve the federal workforce.

Systemic benefits processing failures have jeopardized agency compliance with retirement entitlements and post-employment benefits, risking litigation exposure and audit findings.

With GSA's impending transition to IBM payroll services, OPM must be interoperable with a new federal-wide payroll infrastructure. Workday is the only known vendor with a validated federal integration path based on DOE's implementation experience.

Given the scale of the operational crisis and legal mandates involved, immediate award to Workday is the only viable option to preserve government interests, avoid financial waste, and prevent disruption to critical personnel services.

10. A LISTING OF THE SOURCES, IF ANY, THAT EXPRESSED, IN WRITING, AN INTEREST IN THE ACQUISITION:

One vendor, Dayforce, expressed interest in the acquisition. However, based on market research and a detailed review of functionality, Workday is the only known solution that can meet OPM's needs for federal Title 5 compliance, immediate deployability, and full lifecycle HR integration.

11. A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES REQUIRED:

OPM intends to conduct a full and open competition following this one-year contract. If no justifiable sole-source condition exists at the conclusion of this period, OPM will open the requirement to competition for subsequent acquisitions.

12. REQUIRING OFFICE CERTIFICATION:

I certify that the supporting data under my cognizance which form the basis for this justification are accurate and complete to the best of my knowledge and belief.

Requiring Office Signature

Date

13. CONTRACTING OFFICER CERTIFICATION: The undersigned has determined that the anticipated cost to the Government for this acquisition will be fair and reasonable. Further, I certify that this justification is accurate and complete to the best of my knowledge and belief.

Contracting Officer

Date