



DEPARTMENT OF THE NAVY
 NAVSUP FLEET LOGISTICS CENTER NORFOLK
 1968 GILBERT STREET SUITE 600
 NORFOLK VA 23511-3392

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 April 20, 2016

**JUSTIFICATION AND APPROVAL
 FOR USE OF OTHER THAN FULL AND OPEN COMPETITION**

1. Identification of Agency and Contracting Activity.

Requiring Activity: Fleet Cyber Command/TENTH Fleet (FCC/C10F)
 9800 Savage Road
 Fort Meade, MD 20755

Contracting Activity: NAVSUP Fleet Logistics Center (FLC) Norfolk
 1968 Gilbert Street, Ste. 600
 Norfolk, VA 23511

2. Description of the Action Being Approved.

This is a non-competitive action submitted for approval to increase the contract maximum of the current U.S. Fleet Cyber Command (FLTCYBERCOM) Navy Operational Designated Approval Authority (ODAA) support contract, Contract No. N00189-14-D-0001, awarded to Tetrad Digital Integrity (TDI). The current contract is a single-award, Indefinite-Delivery, Indefinite-Quantity (IDIQ)-type contract with firm fixed priced provisions. The period of performance of the contract is a base year plus two (2) one-year option periods. The contract is in its second and final option year. The current contract provides for an ordering period through 26 January 2017. The total contract value at time of award, including option periods, was \$8,032,825.40 and the current contract funded value is \$7,909,448.40. A total of \$123,377.00 is available until the current contract maximum is reached: there are 9 months remaining in the period of performance. Actual effort under the current contract has outpaced the hours estimated in the solicitation. As a result, there is insufficient contract maximum value remaining to provide services under the contract through the end of the current ordering period. The timeline for the follow-on solicitation has been accelerated with award anticipated on 11 January 2017. Unfortunately, the existing contract maximum is also insufficient to provide services through award of the follow-on contract. The resultant modification will provide the additional contract value necessary to cover those orders to be issued between now and 11 January 2017. Any task orders solicited after the date of award of the follow-on will be solicited under the follow-on contract. FLTCYBERCOM seeks approval to increase the contract maximum from \$8,032,825.40 to \$12,032,825.40, an increase of \$4.0 million.

FLTCYBERCOM has the responsibility of maintaining an acceptable level of risk to Navy operational networks by ensuring the certification and accreditation of all systems, networks, and applications for security of the Department of Defense (DOD) Global Information Grid (GIG). The ODAA Program is tasked with the Certification & Accreditation of all Information Systems (IS), including networks, applications, and the physical sites at which they reside. ODAA supports the requirements of 24 Navy Echelon I and II Commands for IS certification and accreditation by providing technical and administrative guidance to site/system personnel, technical document reviews, and processing Certification and Accreditation packages.

At the time of contract award, the contract maximum was considered to be adequate for the stated scope of work and anticipated number of Certification and Accreditation packages. Soon after contract award,

ODAA production numbers increased from 2000 to approximately 3000 Certification and Accreditation packages annually. This substantial increase is attributed to the Navy's efforts in IT Portfolio discovery and a stressed emphasis on ensuring all Navy IT has been properly authorized by the ODAA and registered in accordance with Navy policy.

Up to a third of all Certification and Accreditation packages submitted annually are processed by contractors due to a large and increasing inventory of IT products in use by the Navy. These package reviews require extensive collaborative efforts and research: the increase in package submittals has resulted in a corresponding increase in demands on the contractor workforce.

In addition to the increase in Certification and Accreditation package submittals, the ODAA directorates have substantially invested resources, including contractor labor, in the DOD-mandated transition to the Risk Management Framework (RMF). The effort being expended to develop processes and provide Subject Matter Expert (SME) review of Navy Echelon I governance structure and policy to enable the Navy to transition to RMF in accordance with mandated timelines has also contributed to the quicker-than-anticipated climb towards the contract maximum limit.

The total estimated dollar value of the contract maximum increase covered by this Justification & Approval document is \$4.0 million. This dollar amount is based on a review of the historical obligation profile under contract N00189-14-D-0001 of roughly \$4.0 million per year, current year spending projections based upon anticipated workload, and a modest surge capability to respond to unforeseen events, such as network cyber-attacks and widespread computer viruses.

3. Description of Supplies/Services.

Contractor support under the ODAA processes roughly one-third of the 3000+ Certification and Accreditation packages received annually. Additional contractor support includes analyzing cyber security documentation and artifact submissions for Navy systems, networks, and sites under the purview of the ODAA; supporting operational systems such as Platforms Information Technology (PIT), test and development systems, systems supporting test exercises and other special projects; and ensuring systems, sites and networks meet DOD, Department of Navy (DON), and U. S. Navy policy and instructions.

4. Statutory Authority Permitting Other Than Full and Open Competition.

This increase to the contract maximum will be pursuant to 10 U.S.C. 2304(d)(1)(B), only one responsible source and no other supplies or services will satisfy the agency's requirement as implemented in Federal Acquisition Regulation (FAR) 6.302-1(a)(2)(iii)(B).

5. Rationale Justifying Use of Cited Statutory Authority.

The services required are available from the original source (TDI) under contract N00189-14-D-0001 and award to any other source would result in unacceptable delays in fulfilling the agency's requirements. The period of performance of contract N00189-14-D-0001 expires on 26 Jan 2017: there are currently two fully-funded task orders in place which both expire on 26 September 2016. The balance of funds remaining below the contract maximum (\$123,377) equates to roughly 10 days in services.

The Navy recognizes there are other capable contractors who may be able to perform the support services required by ODAA, however, TDI is the only source who can fulfill the Government's continuing need for services under the current contract. Several procurement alternatives were considered and ultimately discarded as each would result in an unacceptable delay in delivery of services. The first alternative considered was the award of a follow-on contract. The Independent Government Estimate of the follow-on effort is \$35 million; a procurement process of this magnitude would take approximately 325 days to complete and transition prior to the commencement of services. Awarding a contract for just one year of services under Simplified Acquisition Procedures for Commercial Items (SAP/CI) is projected to require 240 days prior to the commencement of services. Issuing short-term contracts was also considered as an alternative. At the current expenditure rate of \$333,333.00 per month, the procurement lead-time on a

one-month effort using SAP/CI procedures would result in a gap in services of approximately 90 days. Repeating the process to award short-term contracts until services commence under the follow-on contract would tax the customer as well as the contract-issuing office, and could result in an uneven and disjointed approach to system certification and accreditation. The possibility of changing contractors at the end of short-term contracts would provoke instability in the workforce, create security clearance and Common Access Card obstacles, and undermine the standardized application of US Navy policy and instructions.

None of the alternatives contemplated offered better outcomes or reduced the performance risk to the level afforded by the best and most viable option of increasing the maximum of the current contract. Approval of the requested increase in contract maximum will provide continuous mission-essential contract support for the Office of the Designated Approval Authority until a new contract is awarded and ensure uninterrupted support services for the security of the DOD GIG.

A review of the original offers reveals that TDI provided the best value to the Government and TDI's performance under the contract has been satisfactory. A follow-on competitive procurement for this support is being developed.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

As part of market research conducted prior to award of contract N00189-14-D-0001, a Sources Sought notice was posted to NECO on 04 February 2013 and closed on 19 February 2013. Twenty-seven (27) responses were received.

FLTCYBERCOM has submitted a draft procurement package to FLCN and intends to submit a finalized package on or about 30 April 2016. The submission and review of the draft package will improve the quality of the final submission. The Government intends to award either a Firm, Fixed Price service contract or a single-award, Indefinite-Delivery, Indefinite-Quantity (IDIQ)-type contract after a competitive acquisition process. Contract type will be determined after the receipt and review of the finalized procurement package. Evaluation factors will be targeted to avoid a prolonged evaluation period while ensuring a best value source selection decision. The Independent Government Estimate (IGE) for this award is \$35M. An award is anticipated on or before 11 January 2017.

7. Determination of Fair and Reasonable Price.

The Contracting Officer has determined the anticipated price to the Government of the services covered by this J&A will be fair and reasonable. The current contract's second-option-year prices will be applicable through the end of period of performance, 26 Jan 2017. The contract's pricing was determined fair and reasonable by the Contracting Officer at contract award in 2014 on the basis of comparison of proposed prices received in response to the solicitation, comparison of proposed prices with published burdened rates (GSA), and a comparison of the proposed prices to the Independent Government Estimate.

8. Actions to Remove Barriers to Future Competition.

The Government anticipates a continuing need for the services described in paragraph 3. A follow-on contracting effort is anticipated. The follow-on requirement will be competitively sourced and awarded.

9. Contracting Point of Contact:

The point of contact at Fleet Logistics Center Norfolk Contracting Office is Thomas Armstrong, Code 240.3, at DSN 646-3115, commercial (757) 443-3115 or by e-mail at thomas.armstrong@navy.mil.