



DEPARTMENT OF THE NAVY
NAVAL AIR WARFARE CENTER TRAINING SYSTEMS DIVISION
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IN REPLY REFER TO:
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**JUSTIFICATION AND APPROVAL
FOR USE OF OTHER THAN FULL AND OPEN COMPETITION**

1. Contracting Activity.

Naval Air Warfare Center Training Systems Division (NAWCTSD) – Orlando, FL

2. Description of the Action Being Approved.

The Naval Air Warfare Center Training Systems Division (NAWCTSD), Orlando, FL has been tasked by Office of the Chief of Naval Operations (OPNAV N1-N2/N6) and intends to award on an other than full and open competition basis (FAR 6.302-1 Only one responsible source) a thirty-six month (base year, plus two-one year options), Firm Fixed Price contract to Acuitus, Inc., Palo Alto, CA. This contract will deliver an alternate Navy Information Systems Technician (IT) training course using a curriculum with the same standard as live tutors to hundreds of sailors. The alternative training will be conducted aboard Center for Information Dominance (CID), located on Corry Station, Pensacola, FL.

3. Description of Supplies/Services.

The initial Digital Tutor was independently developed by Acuitus and is an intelligent tutor system that dynamically adapts delivery of instruction based on student's responses and response time. The interactions with the tutor provide feedback at different levels of detail and support, utilizing decision rules to trigger one piece of feedback over another based on the pattern of student mistakes.

Based on the Memorandum of Understanding between the Navy and the Defense Advanced Research Projects Agency (DARPA) signed in August 2007, DARPA undertook an effort to employ intelligent tutor technology to develop a new Navy IT curriculum that demonstrated significant gains in training and education effectiveness over the current training, along with deep conceptual understanding of the material, good problem-solving skills, process expertise, all while significantly motivating students. DARPA issued a Broad Agency Announcement (BAA 07-21) to accomplish that effort and Acuitus was awarded the subsequent contract dubbed "Education Dominance". Due to the nature of the science and technology environment, the primary goal of that effort was to mature the intelligent tutor technology, develop and test the new IT curriculum against both the traditional trained student as well as those with Fleet experience. The principle deliverable was a Final report.

Under this effort, Acuitus shall provide the instructional services, to include the personnel, supervision, management, materials, and instructional technology needed to conduct training of students for the Navy's IT course as follows:

- Provide Digital Tutor turnkey training
 - Initial annual throughput estimated at 360 students per year. This training will begin 60 days after contract award.
- Conduct an Information Warfare (IWAR) Capstone event at the conclusion of the course

- Provide modifications and upgrades to the software to maintain currency with industry standards at private expense
- Provide all hardware, software, study hall material, and a private secure network infrastructure to support training
- Provide all instructors for the turnkey training

The total Estimated Dollar Value for this contract is \$45,000,000. See Appendix A for a breakdown by Fiscal Year.

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

10 U.S.C. 2304 (c) (1), Only one responsible source and no other supplies or services will satisfy agency requirements.

5. Rationale Justifying Use of Cited Statutory Authority.

In accordance with FAR clause 6.302-1(b)(1)(i), Acuitus, Inc. is currently the only vendor capable of providing a "turn-key" intelligent tutoring training system (Digital Tutor) for Navy IT equivalent to the current "A" School curriculum administered at CID. Acuitus has proven that they are capable of providing such training as demonstrated at the conclusion of the DARPA sponsored "Education Dominance" Program. The results were independently verified through the Institute for Defense Analysis (IDA).

Only Acuitus possesses the capability and data that can satisfy the minimum needs of the Government to deploy portions of the IT accession-level pipeline hosted on an intelligent tutor system within sixty days of contract award. This effort is in addition to the current IT accession-level pipeline currently being taught at CID. For another contractor to develop an intelligent tutor that can deploy portions of the IT accession-level pipeline, gather, and analyze data would require long lead times. The Government estimates that it would take another contractor approximately three years of development and data gathering to arrive at the current level of maturity as Acuitus.

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

A synopsis was posted on 28 August 2013 to notify interested parties of the intent to award a sole source contract to Acuitus, Inc. The synopsis was posted to Federal Business Opportunities with no responses received from industry. Additionally, neither the Government team nor the end-users are aware of another developed intelligent tutor alternative for Navy IT training course at a similar level of maturation that would be able to meet the current contract requirements.

7. Determination of Fair and Reasonable Cost.

In accordance with FAR 15.402, the Contracting Officer shall ensure that all supplies and services provided under this contract are procured at a fair and reasonable price. At this time, Acuitus has indicated that they are near award of Digital Tutor in the commercial marketplace. If the commercial contract is awarded in a timely manner and sufficient documentation is provided, the Contracting Officer shall make a commercial item determination in accordance with FAR 2.101 and a price analysis shall be the basis of determining a fair and reasonable price. If the Contracting Officer can't make a Commercial Item Determination, Acuitus

shall be required to submit a Certified Cost and Pricing proposal with sufficient information to support a cost and price analysis. Absent the Commercial Item Determination, the Contracting Officer will utilize cost and price analysis as the basis for negotiating a fair and reasonable price.

8. Actions to Remove Barriers to Future Competition.

The Government intends to compete all future Navy IT training Intelligent Tutor requirements. NAWCTSD, under a BAA, competitively awarded a research and development contract for an Intelligent Tutoring and Authoring Delivery System (ITADS) to Telecommunication Systems, Inc. on 25 July 2013. This [REDACTED] 26 month contract will deliver a prototype Intelligent Tutor training system engine adaptable to multiple Navy ratings. This strategy was endorsed by the Intelligent Tutor Executive Steering Committee chaired by the Chief of Naval Personnel in September 2012 and verified in a meeting with the Chief of Naval Operations in March 2013 to enhance competition in Intelligent Tutoring technology. The ITADS approach will ensure that the Government has sufficient data rights and source code to allow the Government or a competitive third-party the means to operate, maintain, or develop additional curriculum as technology advances and needs of the Navy change.

