

DETERMINATION

**To Waive the Requirements of DFARS 208.405-70(b) and
JUSTIFICATION**

For Limited Source Federal Supply Schedule Order (FAR 8.405(6)(g))

I. The following facts support waiving the requirement of DFARS 208.405-70(b) to place a FSS/GSA order for supplies/services exceeding \$150,000 on a competitive basis.

A. Agency and Contracting Activity:

Requiring Activity:	NUWC Division, Newport
Contracting Activity:	NUWC Division, Newport

B. Description of action being requested:

Request approval to solicit supplies under a FSS/GSA contract exceeding \$150,000 to procure IBM Cognos software licenses on a sole make/model basis, which will be installed on the Navy Marine Corps Intranet (NMCI) Boundary 3 Community of Interest (B3 COI) network at NUWC Division, Newport and limit competition to vendors with Enterprise Software Agreements (ESAs) for the items listed in Section C. The required items are available on an ESA under the Enterprise Software Initiative (ESI). Per DFAR 208.74, Departments shall fulfill commercial software through ESI if the items are available.

C. Description of required supplies or services (and estimated value):

The Navy Training Management and Planning System (NTMPS) completed an analysis of available Business Intelligence (BI) tools in 2003 in which Cognos software was chosen as the BI tool. Cognos also became the Enterprise Performance Management (EPM) website BI tool which incorporates NTMPS data. The initial Cognos Software was purchased under contract number N66604-03-F-6034 and included server software for Cognos PowerPlay, Visualizer, and Metrics Manager for 100 Named Users. In 2006, the licensing was expanded by 500 licenses under contract N66604-06-F-1981. The licenses were then upgraded to Cognos 8 under contract N66604-06-C-5224. An additional 600 Consumer licenses, 5 Professional Authoring, and 3 Administrator licenses were also purchased the same year. In 2009, IBM Corporation bought

Cognos and the software is now known as IBM Cognos Business Intelligence software. In 2010 and 2011, all the NTMPS IBM Cognos license maintenance was brought in line to the same end/start date, in order to mitigate the need for multiple purchases each FY. This is the first procurement where all NTMPS IBM Cognos software maintenance can be brought under one order.

Quantity	Product Name	P/N
3	ADMINISTRATOR AUTHORIZED USER ANNUAL SW RE	E060QLL
600	CONSUMER AUTHORIZED USER ANNUAL SW RENEWAL	E061BLL
5	PROFESSIONAL AUTHORIZED USER ANNUAL SW RENEWAL	E060TLL
1	PROFESSIONAL AUTHOR AUTHORIZED USER ANNUAL SW R	E060WLL
5	QUERY STUDIO ADD-ON AUTHORIZED USER ANNUAL SW R	E061WLL
600	POWERPLAY WEB AUTHORIZED USER ANNUAL SW RENEWAL	E063VLL
3	POWERPLAY TRANSFORMER INSTALL ANNUAL RENEWAL	E063YLL
3	VISUALIZER AUTHORIZED USER ANNUAL SW RENEWAL	E063ZLL
600	VISUALIZER WEB AUTHORIZED USER ANNUAL SW RENEW	E0643LL
2	PROFESSIONAL AUTHOR AUTHORIZED USER ANNUAL SW	E060WLL
1	SOFTWARE DEVELOPMENT KIT AUTHORIZED USER RENEW	E0622LL
600	METRICS MNGR WEB AUTHORIZED USER ANNUAL SW RENEW	E06AULL-FCT

Estimated Value: \$155,498.00

DETERMINATION (DFAR 208.405-70(b)) (check one)

(1) Statute expressly authorizing or requiring that the purchase be made from a specified source:

OR

(2) By signing below the contracting officer determines that one of the circumstances described at FAR 16.505(b)(2)(i) through (iii) applies to the order.

FAR 16.505(b)(2) Ordering; Orders under multiple award contracts; Exceptions to the fair opportunity process:

(i) "The agency need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays."

(ii) "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized".

(iii) "The order must be issued on a sole-source basis in the interest of economy and efficiency as a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order."

III. JUSTIFICATION (FAR 8.405-6)

A. This acquisition is conducted under the authority of the Multiple Award Schedule Program (FAR 8.401). Statutory authority is Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251) and Title 40 U.S.C. 502, Services for Executive Agencies.

B. Efforts made to solicit supplies/services from other sources (description of market research conducted among schedule holders and the results, or a statement of the reason market research was not conducted):

This support is available directly from IBM and through ESI with Immix Technology, Inc under Contract #: DABL01-03-A-1006

Per DFARS 208.7402 :

Departments and agencies shall fulfill requirements for commercial software and related services, such as software maintenance, in accordance with the DoD Enterprise Software Initiative (ESI) (see website at <http://www.esi.mil/>). ESI promotes the use of enterprise software agreements (ESAs) with contractors that allow DoD to obtain favorable terms and pricing for commercial software and related services.

C. Contracting Officer's determination that the order represents the best value consistent with 8.404(d):

A search on the Enterprise Software Initiative (ESI) website revealed a vendor that can offer the exact IBM make and model software required. This justification will be posted on GSA eBuy. These items are offered at fixed prices which are determined by GSA to be fair and reasonable. By placing an order against the schedule contract, the ordering activity hereby determines that the order represents the best value and results in the lowest overall cost alternative.

D. Any other facts supporting the justification:

created the EPM website using the licenses procured in the above contracts. To date, there are nearly 600 users of the Cognos software for reporting needs. It is essential that the following minimum requirements are met to ensure continuous operability of the system:

- 1) Querying and reporting capability
- 2) Dashboarding capability
- 3) Scorecarding capability
- 4) Allows OLAP data "cubes" and easy drill down/drill through data capabilities
- 5) Supports EPM Website environment without re-writing website
- 6) Accesses current EPM data models without re-engineering
- 7) Ability for EPM administrators, analysts, and users to operate without re-training

Using a different Business Intelligence (BI) tool will require the purchase of an entire set of licenses for each user and user type (i.e. consumer, administrator). Based on market research and historical pricing, it is estimated that equivalent BI tools will cost approximately \$600,000 to replace the Cognos software currently used on the EPM website. Additionally, 5 EPM analysts will need retraining at an estimated rate of \$5,000 (2 one week courses, travel not included) per person and 2 EPM administrators will need retraining at approximately \$2,500 per person. The 600 EPM users will also need retraining on the portal at an estimate of \$1,000 per person. This brings the total cost of

switching to a new BI tool to well over \$1.2 million. For this reason, IBM Cognos is the only product that meets the EPM business intelligence's needs.

E. Actions taken to remove or overcome any barriers that led to the restricted consideration before any subsequent acquisition for the supplies or services is made:

For the reasons set forth in Section D, NUWCDIVNPT has no plans at this time to compete future contracts for the types of supplies covered by this document. If another potential source emerges, NUWCDIVNPT will assess whether competition for future requirements is feasible.

III. APPROVAL SIGNATURES:

A. CONTRACTING OFFICER CERTIFICATION REQUIRED BY FAR 8.405-6(d)(1)

I certify that this justification is accurate and complete to the best of my knowledge and belief.

2-28-12

Date

Contracting Officer ✓✓

B. TECHNICAL AND REQUIREMENTS CERTIFICATION REQUIRED BY FAR 8.405-6(d)(1) (if applicable):

I certify that the facts and representations under my cognizance, which are included in this justification and its supporting data (rationale for limited sources) are complete and accurate to the best of my knowledge and belief.

(1) TECHNICAL COGNIZANCE

(2) REQUIREMENTS COGNIZANCE

C. COMPETITION ADVOCATE APPROVAL

Denise Abraham

NUWCDIVNPT DEPUTY COMPETITION ADVOCATE

3/8/2012

Date