



**DEPARTMENT OF THE NAVY**  
 NAVAL FACILITIES ENGINEERING AND EXPEDITIONARY WARFARE CENTER  
 1000 23RD AVENUE  
 PORT HUENEME CA 93043-4301

IN REPLY REFER TO:

JA-15-004

January 20, 2015

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

**1. Contracting Activity:**

The requiring activity is Naval Facilities Engineering Command (NAVFAC) Atlantic, Norfolk, VA; the contracting activity is NAVFAC Engineering and Expeditionary Warfare Center (EXWC) Acquisitions, Port Hueneme, CA. The Acquisitions Point of Contact (POC) is Meadow Rivas, who can be reached at DSN 551-4566 or Commercial (805) 982-4566.

**2. Description of the Action Being Approved:**

Approval is sought for award of a contract, on a sole source basis, to U.S. Cost, Inc. for Success Estimator software licenses, enhancement, and training services for Naval Facilities Engineering Command NAVFAC and the U.S. Marine Corps Cost Engineering employees.

Award will be for a base plus four (4) option years.

**3. Description of Supplies/Services:**

Success Estimator, a Commercial-Off-the-Shelf (COTS) detailed cost estimating program, is the standard cost estimating software used within NAVFAC. Approximately 10 years ago, NAVFAC acquired perpetual ownership of 1,100 licenses. This contract will be used to acquire maintenance support for these 1,100 licenses within NAVFAC and the Marine Corps. In addition, this contract will provide software improvements necessary to provide NAVFAC and the Marine Corps with required enhancements and to provide training to end users of the software.

**Estimated Dollar Value:**

	FY15	FY16	FY17	FY18	FY19	Total
MILCON						
Total						

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

The statutory authority for this acquisition permitting other than full and open competition is 10 U.S.C. 2304(c)(1), only one source or limited sources, as implemented by FAR 6.302-1. Full and open competition need not be provided for when only one responsible source is capable of satisfying agency requirements.

5. RATIONALE JUSTIFYING USE OF CITED STATUTORY AUTHORITY:

Success Estimator is the standard NAVFAC cost estimation software utilized by both NAVFAC and Marine Corps. U.S. Cost is the only proprietary supplier of Success Estimator and the related maintenance and enhancements required to provide a cost estimating program for all NAVFAC/Marine Corps users.

Prior evaluations were performed of other cost estimation software, and found limited DoD-compliant software that provides the modeling capabilities, interfaces, and integration capabilities that NAVFAC requires. Success Estimator provides extensive parametric modeling capabilities thru the use of user defined and/or commercially available assemblies. These models were costly to define and drastically aid in the development of the Programming cost estimates. The only other cost estimation software is a GOTS (Government off the Shelf) application called MII which is maintained by USACE. Neither program can read the native data file of the other. The only way to share a data file is through a direct export/import process within the software. This process results in a significant loss of cost estimate detail. This would severely impact the library of 19 plus years of cost estimates developed using Success Estimator. There would be no way of retrieving past cost estimates without Success Estimator and even then the results, due to the loss of detail, would have little value.

In addition to servicing Capital Improvement's estimating needs, Success Estimator also has an interface for estimating Base Operating Service contracts. The interface is unique to the Public Works Business Line and provides a process that is consistent across the FECs. Custom reports have been developed to provide specifically formatted output required by Acquisition for execution.

NAVFAC currently owns and maintains 1,100 seats of Success Estimator. The current annual cost to support one license of Success Estimator is \$ [REDACTED]. To purchase a license of MII would cost \$ [REDACTED]. This is close to 8 times the current cost to maintain Success Estimator. In sum, buying the MII software would result in high costs to transition, which would not be recovered through competition.

Switching to another commercial cost estimating product presents significant risks that can be controlled by the purchase of Success Estimator. A new cost estimating software would require NGEN certification for use upon the network, instituting a time delay on capabilities to the user community of six months to one year. Changing products would require; retraining all current users; licensing of the product; certification of the product by NGEN; rework of existing software interfaces; and potential modification of active

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NAVFAC contracts related to the use Success as pertaining to contract performance. There are a large number of users in widely dispersed work centers. Therefore, the time required for re-training, deployment, and extensive data conversion could extend well beyond one year. This could cause severe disruptions in the Navy and Marine Corps facility support missions. Also - users would be required to utilize new software without the benefit of the archived projects. It is estimated that the cost of retraining 1,100 users would be at least \$775,000, the initial software purchase/licensing of 1,100 new users would cost upwards of \$2,200,000 (\$2,000 each), the cost of the Government effort to certify and distribute a new software for use on the NGEN intranet would approach \$125,000 and take approximately one year, and reconstruction of external software interfaces could reasonably be accomplished for \$200,000. This substantial duplication of costs is not expected to be recovered through competition. If the contract were to be awarded for a cost estimating software other than Success, the total estimated cost for initial start-up and conversion the first year alone would be in excess of \$3,300,000.

6. Description of Efforts Made to Solicit Offers From as Many Vendors as Practicable:

An Internet search was conducted using the keyword "success estimator" to identify additional suppliers that could provide Success Estimator software and service. Searches of the ESI and GSA websites as well as industry cost estimating catalogs were also performed. No supplier other than U.S. Cost was found.

Additionally, a representative of U.S. Cost confirmed that they do not license or support Success Estimator through brokers or as a subcontractor, but only provide this software and related services directly as a prime.

The proposed contract action will be synopsisized on the NECO/Federal Business Opportunities website.

7. Determination of Fair and Reasonable Cost:

The Contracting Officer has determined that the anticipated price for supplies/services covered by this J&A will be fair and reasonable. Contracting Officer will make a fair and reasonable price determination for the supplies/services covered by this J&A using price analysis techniques in accordance with FAR 15.

8. Actions to Remove Barriers to Future Competition:

For the reasons set forth in Paragraph 5, NAVFAC has no plans at this time to compete future contracts for the types of services covered by this document. If another potential source emerges, NAVFAC will assess whether competition for future requirements is feasible.

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CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance which are included in this Justification and its supporting acquisition planning documents, except as noted herein are complete and accurate to the best of my knowledge and belief.

[Redacted]  
Date: 2015.01.20 13:26:36 -0500

[Redacted]

20 January 2015

Phone No.

Date

[Redacted]  
ANTHONY BRILLO  
Chief Cost Engineer,  
NAVFAC CIBL

[Redacted]

[Redacted]

Phone No.

Date

Director, NITC/EXWC CIO  
NAVFAC EXWC

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient

[Redacted]

[Redacted]

Phone No.

Date

[Redacted]  
Assistant Counsel  
NAVFAC EXWC

CONTRACTING OFFICER CERTIFICATION

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

[Redacted]

[Redacted]

Phone No.

Date

Contracting Officer  
NAVFAC EXWC

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ECHELON III CHIEF OF THE CONTRACTING OFFICE CERTIFICATION

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

[REDACTED] [REDACTED]  
[REDACTED] Phone No. \_\_\_\_\_ Date \_\_\_\_\_  
Chief of the Contracting Office  
NAVFAC EXWC

APPROVING OFFICIAL (NFAS 6.304)

Upon the basis of the above justification, I hereby approve the solicitation of the proposed procurement (s) described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. 2304 (c) (1).

[REDACTED] [REDACTED]  
[REDACTED] Phone No. \_\_\_\_\_ Date \_\_\_\_\_  
CAPT, CEC, USN  
Commanding Officer  
NAVFAC EXWC