

CONTROLLED UNCLASSIFIED INFORMATION

Justification and Approval (J&A) for Other Than Full and Open Competition

Was a J&A approved for the preceding acquisition where that acquisition required a J&A? Yes No

!! Attach the preceding J&A in the staff package for this J&A. The preceding J&A will be used as a reference document.

Is this a new or amended J&A Document? New Amended (Prior to Award Only!)

Is this a Bridge Action as defined at AFFARS 5302.101? Yes No

Dollar Value of this Acquisition: [Redacted]

Contracting Activity: AFLCMC/WIAK, Global Hawk Contracting Office

Purchase Request (if available) / Local ID Number: PR has not been assigned at this time.

Program / Project (and PE, if applicable): Virtual Image Processor - Common (VIP-C) Vantage and Remote Desktop Servers Sustainment

Program Type (PEO, Enterprise, of Operational): PEO

Authority:

6.302-1 – 10 USC 3204(a)(1), Only One Responsible Source - No Other Supplies or Services Will Satisfy Agency Requirements

Estimated Contract Cost (including options): [Redacted] J&A Type: Class Individual

COORDINATION (AFFARS 5306.304(a))

Table with 3 columns: Date, Project Lead / Program Mgr / Requiring Activity, Signature. Rows include dates from 20 Jul 2023 to 25 Jul 2023 for various roles like Contracting Officer and Local Legal Reviewer.

APPROVAL (AFFARS 5306.304(a))

Table with 3 columns: Date, Competition Advocate/Technical Director, Signature. Row includes date 01 Aug 2023.

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I. Agency and Contracting Activity.

AFLCMC/WIAK



II. Nature and/or description of the action being approved.

This sole-source requirement is a Firm-Fixed price order to be re-acquired under Utah State University's Research Foundation, Space Dynamics Laboratory (SDL). SDL is a nonprofit government contractor owned by Utah State University. First acquired under GSA schedule GS-23-F-0046P, which expires in September 2023. There is no GSA follow on contract to GS-23-F-0046P, therefore AFLCMC/WIAK is planning to issue a sole-source direct award to SDL for the follow-on contracting activity.

III. Description of supplies/services required to meet agency needs.

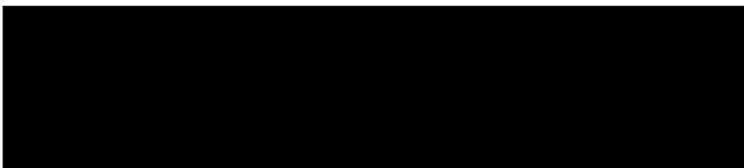
The purpose of this effort is to procure maintenance, technical assistance, and software updates for VIP-C servers in the Global Hawk (GH) Tech Control Facilities at Grand Forks AFB.

GHs client, Air Combat Command (ACC), requires the GH system to have a direct feed of post common imagery processor (CIP) imagery from the AF Distributed Common Ground System (DCGS). The services required to meet agency needs will provide continuous support for Command, Control and Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) capabilities. These capabilities are provided through the AF DCGS, Vantage Imagery Processing Capability (VIP-C) at Grand Forks AFB. The RQ-4 Global Hawk is the airframe that uses the software.

Sustainment of this capability includes the warranty of 5 installed servers (Installed April-August 2015) the Vantage Software Suite will be hosted on, technical phone support (up to 8 hours at GF AFB), semi-annual software updates (two per year) and training of personnel for the updates at Grand Forks AFB (up to 20 classroom hours). SDL assembled these servers to host their proprietary software, developed under contract to the government, to assemble raw imagery tiles into scenes, improve image quality on those scenes, store those scenes in a database, and then disseminate them to remote workstations. This sustainment was met through a current, expiring contract with SDL and was planned to be virtualized as part of a GH Ground Segment Modernization Program (GSMP) once this system was fielding. The program office was intending to pursue full and open competition under GSMP, however in September 2022 Congress issued a Termination Acquisition Decision Memorandum (T-ADM), officially canceling the program. Due to this program not getting fielded, GH will need to continue getting sustainment from these services from a contractor that specializes in this VIP-C Vantage software. Additionally and importantly, the GH platform as a whole currently has an anticipated sunset date of FY27. As such, with the Congressional cancellation of the modernization program and the expected sunset date of the GH program as a whole, the intent for this specific effort is to perform the final required specialized maintenance services through the remaining few years of program. With regard to data rights, the contract history of this software and its sustainment included relatively broad technical data and computer software rights for the Government; as discussed in Section IV below, a lack of data rights is not the primary justification for sole sourcing, and this action intends to procure all necessary data rights for this remaining requirement.

The total estimated value of the maintenance, support and estimated travel for 5 years (base year plus four option years) is estimated at [REDACTED] [Additional option years beyond the current sunset date were included to address the possibility Congress directs an extension of the program.]

The anticipated Firm-Fixed Price contract award will be performance-based in accordance with AFI 63-138 Acquisition of Services and the Period of Performance is:



Cost estimate is based on prior actions. The original Cost estimate remained static throughout contract life and the initial

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option year 4 (2022) was adjusted to descope Beale AFB. A standard 3% annual inflation rate was applied for future contract periods and 0.7% annual wage growth rate was applied for information services labor. The PoPs are based on the planned FY27 divestiture of the GH fleet. This contract should carry the software sustainment through the end of the program and through the end of the divestment period.

The anticipated award price of the contract (including options) will not exceed [REDACTED] and the anticipated proposal by Space Dynamics Laboratory will be fair and reasonable IAW FAR 15.404-1(b)(2)(ii), comparison of the proposed price with prices to historical prices paid. The facts discussed in this section are therefore sufficient to justify the use of FAR 6.302-1 and contracting without providing for full and open competition.

IV. Demonstration that the contractor's unique qualifications or the nature of the acquisition requires use of the authority cited above.

As discussed in Section III above, the nature of this work includes specialized software maintenance on a unique system - specialized work that has been performed by SDL for decades. In May 1996, SDL and five other university research centers were designated as DOD University Affiliated Research Centers, or UARCs, established to operate in the public interest rather than in the interest of corporate shareholders. UARCs have become crucial partners in the development of advanced defense technology, while sustaining critical national engineering and scientific expertise. As a UARC and a nonprofit organization affiliated with a university, SDL's core competencies span a variety of technical areas. SDL has benefitted from a long-term strategic relationship, for over 25 years, with the Missile Defense Agency, who acts as SDL's DOD UARC sponsor. Each UARC provides core capabilities to the DOD Research and Engineering community—including the Office of the Secretary of Defense, Army, Navy, Marines, Air Force, Space Force Defense Agencies and Combatant Commands. UARCs receive funding from multiple government organizations, by virtue of their strategic relationship with the DOD. The government leverages UARC expertise in their core competency areas to quickly develop government-owned solutions for problems of national security importance. The Vantage software and hardware was installed under contract SP0700-99-D-0301-0231, a contract with Alion, Science and Technology with SDL as the subcontractor. The Naval Research Laboratory (NRL) created, owns, and maintains the Vantage software suite through contract N00173-22-D-2005 with SDL as the sole source partner. The NRL works with SDL for on-going upgrade and development efforts. SDL has been the only contractor that has contributed to the Vantage source code baseline since its creation 27 years ago and through the UARC program, the NRL was able to utilize SDL to help support the creation of Vantage. Therefore, this acquisition will be a follow-on contract for the continued provision of highly specialized services, to include this unique software maintenance.

The NRL does not do production or work program of record programs, so each government partner that utilizes the Vantage software works directly with SDL for deployment support and maintenance. While there is no inter-agency agreement available from the NRL to the Air Force, the software is free for use by the Air Force from NRL. SDL is the only contractor that has specialized knowledge of the Vantage software due to their ongoing working relationship with the NRL. Due to this and the proprietary nature of this image processing software, no other company would be able to identify or resolve problems with this software or be able to determine whether a problem was caused by this software or the hardware it is hosted on. If another contractor was chosen, the new contractor would require continued partnership with SDL for training on how to support and maintain the Vantage software. This information was provided by [REDACTED] the NRL SME and Head of the Applied Optics Branch, on 11 May 2023 as well as the authorization to proceed with contracting with SDL. Given this history, access to data and their corresponding rights are not the primary concern for competition - instead, the specialized nature of the work and the need to avoid duplication of cost is the primary issue at hand.

The basis for this sole-source award relies on FAR 6.302-1(a)(2)(iii). IAW FAR 6.302-1(a)(2)(iii), sole source award of this effort to SDL is justified since it is a DoD follow-on contract for the continued provision of highly specialized services and it is likely that award to any other source would result in substantial duplication of cost to the Government that is not expected to be recovered through competition.

"When the supplies or services required by the agency are available from only one responsible source, or, for DoD, NASA, and the Coast Guard, from only one or a limited number of responsible sources, and no other type of supplies or services will satisfy agency requirements, full and open competition need not be provided for.

For DoD, NASA, and the Coast Guard, services may be deemed to be available only from the original source in the case of follow-on contracts for the continued provision of highly specialized services when it is likely that award to any other source

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would result in-

- (A) Substantial duplication of cost to the Government that is not expected to be recovered through competition; or
- (B) Unacceptable delays in fulfilling the agency's requirements. (See 10 U.S.C. 3204(b)(B))".

The GH program office has determined that award to any other source would result in substantial duplication of cost to the Government that is not expected to be recovered through competition. Through various projects with the DoD creating and using the Vantage software across its 27-year existence, the Government has invested approximately [REDACTED]. As mentioned above, while open competition was initially considered for GSMP (the modernization program), Congress terminated that initiative, causing the team to continue use of the Vantage software through the remaining lifespan of the GH program. An attempt to use a new software to perform the GH requirements at this point would likely further require millions of dollars in investment, which Congress has clearly shown an unwillingness to authorize. As such, continuing use of the Vantage software is required. Market research, explained in detail in Section V, supports the conclusion SDL is the only contractor able to perform this work related to the Vantage software. Even if a different contractor were interested, the NRL would have to provide proprietary access to that contractor and the Government would have to pay an additional fee for that contractor to go to SDL for training and Subject Matter Expert support to meet this requirement, causing a duplication of work and costs for the Government. According to NRL SME [REDACTED] no contractor would be cheaper or more proficient than SDL. Regardless, market research showed no other contractors were interested in this effort - SDL was the only contractor that formally responded to the publicly posted RFI/Sources Sought. Consequently, given the lack of responses, the program team had difficulty accurately and precisely estimating the duplication of cost; instead, the team relies on the contract history and the reasonable conclusion that if an interested contractor ultimately bid, they would almost certainly add unnecessary profit and administrative cost above and beyond SDL's cost. The team is confident of their conclusion that such outcome would result in a substantial duplication of cost, not recoverable through competition.

This acquisition meets all of the requirements that allow a CO to award a sole source contract. (1) this is a responsible contractor, and there is no expectation that 2 or more SB can meet the government needs. (2) the anticipated award is estimated to be [REDACTED] (3) The CO will not make an award if it is not fair and reasonable.

For this acquisition, the PCO has determined that SDL is a responsible contractor with respect to performance of this contract opportunity. The anticipated award price of the contract (including options) will not exceed [REDACTED] and the anticipated cost to the government presented by SDL will be fair and reasonable IAW FAR 15.404-1(b)(2)(ii), comparison of the proposed price with prices to historical prices paid. This acquisition will be a follow-on contract for the continued service of a major system. The facts discussed in this section are therefore sufficient to justify the use of FAR 6.302-1(a)(2) and contracting without providing for full and open competition.

V. Description of efforts made to ensure that offers are solicited from as many potential sources as practicable, including whether a notice was or will be publicized as required by subpart 5.2 and, if not, which exception under FAR 5.202 applies.

Potential sources were sought through the GH program's market research initiatives. Market research was conducted from January 2023 through July 2023 and began by contacting Government POCs with experience with VIP-C maintenance. Market research started with contact being made with the current PCO, [REDACTED] at the 319th Contracting Squadron and continued with The Naval Research Laboratory (NRL) POC, [REDACTED] Head of the Applied Optics Branch. AFLCMC/WIAK reached out to these Government POCs to determine the origin of the software, its intended function for Grand Forks AFB, the history of how it was previously fulfilled and the proprietary status. Contact was made with Space Dynamics Laboratory POC [REDACTED] to confirm SDL is the sole creator and the sole provider of Vantage/VIP-C software that is used by multiple Government entities. Additionally, the WIA program office provided further market research through online searches, research of traditional and nontraditional contractor capabilities and lists of supported programs, and continued discussion with relevant parties related to the sunset of the Global Hawk program.

In prior actions, the Grand Forks AFB provided market research and RFIs for this work, which confirmed the need to sole source to SDL. For this immediate action, the GH program office also submitted an RFI/Sources Sought, to support the above market research. An RFI/SS was publicly placed on SAM.gov to confirm the initial market research conclusion that no other source could perform this work. The limited responses confirmed the program conclusion: no other contractors have a history of working on this specialized software, and any other contractor performing this work would indeed require the

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support of SDL, which would invariably create a substantial duplication of cost after SDL has provided 27 years of support for this software. SDL was the only contractor that formally responded to the RFI, further confirming the initial conclusion they are the only available contractor able to perform this work.

VI. Determination by the Contracting Officer that the anticipated cost to the Government will be fair and reasonable.

The contracting officer will determine fair and reasonable based upon (1) certified cost or pricing data provided in the offerer's proposal, (2) the program office's technical analysis of the offerer's Basis of Estimates (BOE), and (3) inputs from the Defense Contract Management Agency, including from the Administrative Contracting Officer. From these areas, the contracting officer expects they will be able to determine that the anticipated cost to the Government will be fair and reasonable.

VII. Description of the market research conducted and the results, or a statement of the reasons market research was not conducted.

Market research is detailed in Section V above. Furthermore, on 1 January 2023, AFLCMC/WIAK reached out to the current PCO at the 319th Contracting Squadron for VIP-C Vantage who confirmed that Space Dynamics Laboratory (SDL) is the sole provider for VIP-C Vantage servers and maintenance. On 18 January 2023, AFLCMC/WIAK reached out to SDL who confirmed they are the creator and the sole provider of Vantage/VIP-C software and maintenance that is used by multiple Government entities. As such, SDL is the only contractor who can support the government with its use. On 21 March 2023, AFLCMC/WIAK reached out to [REDACTED] at the Naval Research Laboratory (NRL) that informed AFLCMC/WIAK that the NRL created, owns, and maintains the Vantage software suite through contract N00173-22-D-2005 with SDL and that SDL is the only contractor who can provide the support for the Vantage software. Additional information regarding market research is found in Section V above, including the use of an RFI, contractor research, and further Government POC discussions.

VIII. Any other facts supporting the use of Other Than Full and Open Competition.

The basis for this sole source award relies on FAR 6.302-1(a)(2)(iii) IAW 10 U.S.C. 3204(a)(1).

IX. List of any sources that expressed, in writing, an interest in the acquisition.

See Section V above.

X. A statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisitions for the supplies or services required.

Actions taken to remove and overcome barriers leading to the restriction for the acquisition of this service included contacting the developer of the Vantage software to identify companies certified and authorized by SDL to perform the work. Contact was made with the Naval Research Laboratory (NRL) in a search for other companies and/or DoD affiliated laboratories to provide support and maintenance for Vantage—there are none. Space Dynamics Laboratory (SDL) has not authorized any other companies to do work as this software suite is controlled by the government (NRL), leaving SDL as the sole provider for support and updates for the Vantage software.

Prior to exercising any option year, AFLCMC/WIAK contracting office and the Vantage program manager for this contract will perform market research, as well as contact the NRL, to ensure SDL remains the only responsible and technically sufficient contractor able to provide the required Virtual Image Processor-Common (VIP-C) Vantage and remote desktop and accompanying services. Market research is a continual process, and to the extent the team finds another contractor available

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to perform this work, the team will move forward with open competition.

As access to the data and associated Government rights is not the primary argument for sole sourcing made in Section IV above, to the extent it becomes economically feasible to compete this work without a substantial duplication of cost, the program will pursue open competition. Given the current sunset date and the Congressional directives, limited competition remains in the Government's best interest, though the program will continue their market research and analysis.

XI. Certification by the Contracting Officer.

As evidenced by my signature above, I certify that this justification is accurate and complete to the best of my knowledge and belief.

XII. Certification by the technical/requirements personnel.

As evidenced by my (our) signature(s) above, I (we) certify that any supporting data contained herein, which is my (our) responsibility, is both accurate and complete.