

**Justification Review Document
for Limited Source Justification - FAR Part 8**

Program/Equipment: ServiceNow Software as a Service (SaaS) and Human Resources (HR) Service Delivery Module

Authority: 10 U.S.C. 2304(c)(1) as implemented in Federal Acquisition Regulation (FAR) 8.405-6(a)(1)(i)(B) Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized.

Amount: [REDACTED] to include one (1) Twelve (12)-Month base period and one (1) Twelve (12)-Month Option period.

Prepared by:

[REDACTED]
Chief Technology Officer, CECOM CIO/G-6
E-mail: [REDACTED]

DSN: [REDACTED]
Date: 07/29/2022

Contracting Officer:

[REDACTED]
E-Mail: [REDACTED]

DSN: [REDACTED]
Date Reviewed: 08/23/2022

Technical Representative:

[REDACTED]
Chief Technology Officer, CECOM CIO/G-6
E-mail: [REDACTED]

DSN: [REDACTED]
Date: 07/29/2022

Requirements Representative:

[REDACTED]
Chief Technology Officer CECOM CIO/G-6
E-mail: [REDACTED]

DSN: [REDACTED]
Date: 07/29/2022

Controlled by: Army
Controlled by: ACC-APG
CUI Category: General Procurement and Acquisition
Limited Dissemination Control: FEDCON
POC: Rex M. Valdez, 443-861-4728

Reviews

I have reviewed this justification and find it adequate to support other than full and open competition.

Program Manager:

Typed Name:

DSN:

Signature:

Date: 9/12/2022

Legal Counsel

Typed Name: Adam R. Bosse

DSN:

Signature:

Date: 9/13/2022

Limited Source Justification – FAR Part 8

1. Contracting Activity: Army Contracting Command (ACC) – Aberdeen Proving Ground (APG), Tenant Division, 6565 Surveillance Loop, Aberdeen Proving Ground, Maryland 21005.

2. Description of Action: The U.S. Army Communications-Electronics Command (CECOM), Chief Information Officer/G-6 (CIO/G-6) requests a firm-fixed price (FFP) delivery order against the existing software blanket purchase agreement (BPA) held under the Department of Defense (DoD) Enterprise Software Initiative (ESI) with Carahsoft Corporation, 11493 Sunset Hills Road, Suite 100, Reston, Virginia 20190 for the procurement of brand name ServiceNow cloud-based Software as a Service (SaaS) and Human Resources Service Delivery (HRSD) module to include software licenses, subscriptions, maintenance, support, and implementation services. The total duration of the contract includes one (1) Twelve (12)-Month base period and one (1) Twelve (12)-Month Option period.

The Government will execute this action against BPA No. N66001-19-A-0120. The projected award is September 2022 and fiscal year (FY) 2022, Operation and Maintenance (O&M) funds, will be used.

This procurement does not meet the threshold defined in Defense Federal Acquisition Regulation Supplement 207.103(d)(i)(B); therefore, an acquisition plan is not required.

3. Description of Supplies/Services: The Government requires a SaaS cloud-based workflow automation platform that is Federal Risk and Authorization Management Program (FedRAMP) approved and DoD Provisional Authorization for the Unclassified Government Community Cloud with mobile accessibility and streamlining delivery of hosted cloud HR application services such as Training Requests, Telework Approvals, Hiring Tracker, Employee Onboarding, Awards, Mentoring, and Out Processing. ServiceNow SaaS is a hosted enterprise environment workflow automation platform that enables enterprise organizations to improve operational efficiencies by streamlining and automating routine work tasks. It has received the required Federal Risk and Authorization Management Program (FedRAMP) approval and a DoD Provisional Authorization for the Unclassified Government Community Cloud for Government Cloud Impact Level Four (4) (IL-4) information. The ServiceNow HRSD SaaS is an enterprise tool for developing individual workflows and custom applications designed to the specific needs of CECOM G1 Human Resources (HR) analysis.

Below lists the talent-based capabilities to include a HR specific knowledge base:

- Employee workflows: Training requests, telework approvals, hiring tracker, employee onboarding, awards, mentoring, and out-processing.
- Reporting and Analytics: Demographic data, manning analysis, hiring data, role-based dashboards.
- Time Accountability of schedules and locations of employees, to include telework and leave status.
- Recruitment and hiring: In person and virtual processes.
- Talent Management: Employee portal, training paths, skills assessment, and training calendar.

All of these capabilities will leverage the ServiceNow HRSD SaaS and will eliminate the need for CECOM HR analysis to use multiple home-grown solutions.

The period of performance is for one (1) Twelve (12)-Month base period and one (1) Twelve (12)-Month Option period which is expected to be exercised in accordance with (IAW) FAR 52.217-9. Option to Extend the Term of the Contract. The estimated cost for this effort is:

Base Year (23 SEP 2022-22 SEP 2023):

PART NUMBER	DESCRIPTION	QTY/USERS	DOLLAR VALUE
BASE AWARD LICENSES and TRAINING			
PROD15405-120	LICENSES HR Service Delivery Enterprise - HR User v3	6400	
PROD16586-120a	LICENSES Impact Guided - Public Sector (US)	1	
PROD00064-120	LICENSES ServiceNow« Instance - Government Data Center	3	
PROD15179-120	TRAINING ServiceNow® Learning Credit	21600	
PROD00073-120	ServiceNow Implementation - Tailored	10600	

*Service will be billed monthly as expended.

Twelve (12)-Month Option period Option (23 SEP 2023-22 SEP 2024):

PROD15405-120	LICENSES HR Service Delivery Enterprise - HR User v3	6400	
PROD16586-120a	LICENSES Impact Guided - Public Sector (US)	1	
PROD00064-120	LICENSES ServiceNow« Instance - Government Data Center	3	

One year Base Period:

Period of Coverage 23 SEP 2022 to 22 SEP 2023

Option Period One (1) - Option for Increased Quantity

Period of Coverage 23 SEP 2023 to 22 SEP 2024

\$

Total:

The total amount is based on the Government Cost Estimate (IGE) prepared on 29 July 2022 and was created with established fixed priced Catalog Contract Line-Item Numbers (CLINs) already on the DoD Enterprise Software Initiative (ESI) Program Blanket Purchase Agreement (BPA) No. N66001-19-A-0120 for the parts numbers, description of services and quantities and may be ordered directly from the contract without further detail.

4. Authority Cited: 10 U.S.C. 2304(c)(1) as implemented in Federal Acquisition Regulation (FAR) 8.405-6(a)(1)(i)(B) Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized. Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized.

5. Reason for Authority Cited:

This acquisition is conducted under the authority of (FAR) 8.405-6(a)(1)(i)(B) Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized-

The basis for this justification is set forth in DFARS 208.7402. Defense Departments and Agencies shall fulfill requirements for commercial software and related services in accordance with DoD Enterprise Software Initiative (ESI) Program Blanket Purchase Agreements (BPAs). ESI promotes the use of enterprise software agreements (ESAs) with service providers like ServiceNow that allow DoD to obtain favorable terms and pricing for commercial software and related services. ServiceNow SaaS and the HRSD Module are being offered in the DoD ESI Program Blanket Purchase Agreements (BPAs). Carahsoft Technology Corporation (Cage Code 1P3C5) holds established Blanket Purchase Agreement (BPA) No. N66001-19-A-0120, effective 01/22/2020 and expires on 07/14/2029 under the Department of Defense (DoD) Enterprise Software Initiative (ESI) Agreements for ServiceNow Information software products, services and licenses solutions. Carahsoft Technology Corporation is the only authorized vendor for ServiceNow Software Agreements.

The Department of Defense has competitively awarded the Enterprise Software Agreements under FAR Subpart 8.4 and Carahsoft Technology Corporation is identified

as the only reseller for ServiceNow products and services using the mandated (DoD) ESI BPAs hosted in FEDRAMP certified impact level 4 environment.

The proposed acquisition must be accomplished through a limited sources justification due to only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized. The ServiceNow Cloud Hosting (Level 4) are the only certified impact level 4 ServiceNow SaaS approved by the Federal Risk and Authorization Management Program (FedRAMP). FedRAMP is mandatory for Federal Agency cloud deployments and service models at the low, moderate, and high-risk impact levels which provides the U.S. Government with a standardized approach to security assessment, authorization, and continuous monitor for cloud products and services. In accordance with the Office of Management and Budget (OMB) memorandum (Memorandum for Chief Information Officers, dated December 8, 2011), any cloud services that hold federal data must be FedRAMP certified. Being able to process and store level 4 controlled unclassified information will enable CECOM's Information Technology (IT) professionals to appropriately manage information technology asset data that directly support or are related to our Command, Control, and Communication systems.

Currently, CECOM HR analysis is using the U.S. Army Combat Capabilities Development Command (DEVCOM), Human Resource Enterprise (HRE) application. HRE is developed by DEVCOM and maintained in the Network Enterprise Technology Command (NETCOM) Aberdeen Proving Ground (APG) data center. With the Army Directive 2016-38 (Migration of Army Systems and Applications to Approved Hosting Environments and Consolidation of Data Centers), DEVCOM announced the HRE application will be decommissioned in the beginning of fiscal year (FY) 23 leaving CECOM HR analysis with no talent-based capabilities. The decommissioning of the HRE application is driving CECOM to comply with Army Directive 2016-38 mandating CECOM HRs to migrate numerous talent-based capabilities from DECOM's HRE application to an enterprise hosting environment that the Service Now HR Service Delivery (HRSD) module provides.

ServiceNow HR Service Delivery will help CECOM deliver employee-focused service through a single, easy-to-use, and mobile ready portal that gets rid of manual, disparate processes and streamlining delivery of services such as onboarding, separations, promotions, telework and much more. With case and knowledge management, HR and shared services teams can capture agency institutional knowledge and valuable information that resides across individuals and teams and transfer knowledge effectively across the organization to employees when they need it, on any device. The HRSD Employee Service Center provides employees and cross-functional teams with a unified experience that makes it easier to get help, collaborate across departments, and find the right information quickly. By leveraging no-code builder tools, HR administrators and business analysts can get full visibility on cross-departmental processes end-to-end,

effectively coordinate resources across teams, and assign the right activities, systems, and tasks that enable employees and managers to focus on their work and remain productive. Moreover, HRSD offers employee experience packs to accelerate CECOM's return on investment and time to value through faster adoption of new ServiceNow product innovations.

ServiceNow has unique proprietary rights to these capabilities that are built as a fully scoped application on the Federal Risk and Authorization Management Program (FedRAMP) approved and DoD Provisional Authorization for the Unclassified Government Community Cloud IL4/IL5 cloud access point (CAP) platform where data resides in a client instance and not commingled with other client data.

CECOM rationale for why this requirement must be executed on a limited-sources basis is that there is no comparable service that is available and able to meet CECOM's needs that has received the required Federal Risk and Authorization Management Program (FedRAMP) approval and a DoD Provisional Authorization for the Unclassified Government Community Cloud for Government Cloud Impact Level Four (4) (IL-4) information and that meets DoD policies mandating DoD ESI IAW DoD 5000.02, DoD 5000.74, Department of Defense (DoD) Chief Information Officer (CIO) Guidance and Policy Memorandum No 12-8430-July 26, 2000 – Acquiring Commercially Available Software, DFARS 208.74, DFARS PGI 208.7403, DFARS PGI 251-1, DFARS 252.251-7000, Army, (7034) ESA Memo. Department of Army, Memorandum, Enterprise Software Agreements, dated Dec 29, 2006, and Army AR-25. Therefore, this requirement will be issued as a limited-sources acquisition.

In conclusion, based on the market research findings, ServiceNow provides software as a service (SaaS) for ServiceNow HR Service Delivery (HRSD) module is the only solution capable of performing the functions needed to meet this requirement. It is only available through a firm-fixed price (FFP) delivery order against the existing software blanket purchase agreement (BPA) held under the Department of Defense (DoD) Enterprise Software Initiative (ESI) with Carahsoft Corporation. As indicated in section eight (market research), there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery to meet this requirement. It is recommended to be in the best interest of the Government to purchase the required ServiceNow software licenses, training, services and module via the DoD ESI agreement, Contract No. N66001-19-A-0120 held by Carahsoft Technology Corporation.

6. Efforts to Obtain Competition: This is a new requirement and there is no previous acquisition history of the required ServiceNow software solutions. If another potential source emerges, CECOM will assess whether competition for future requirements is feasible.

a. Effective competition: Use of the DoD ESI is mandated for purchasing IT software products IAW DoD 5000.02, DoD 5000.74, Department of Defense (DoD) Chief Information Officer (CIO) Guidance and Policy Memorandum No 12-8430-July 26, 2000 – Acquiring Commercially Available Software, DFARS 208.74, DFARS PGI 208.7403, DFARS PGI 251-1, DFARS 252.251-7000, Army, (7034) ESA Memo. Department of Army, Memorandum, Enterprise Software Agreements, dated Dec 29, 2006 and Army AR-25.

Currently, DoD ESI has only one vendor (Carahsoft) that provides ServiceNow; therefore, competition is limited. DoD ESI BPA was competitively awarded and Carahsoft is the sole ESI vendor with a BPA that offers ServiceNow products. If DoD ESI is able to establish additional BPA's for ServiceNow then competition will exist in the future requirements.

The notices required by FAR 5.201 Synopses of Proposed Contract Actions is not required based on the exception at FAR 5.202(a)(11). The proposed contract action is made under the terms of an existing BPA No. N66001-19-A-0210 that was previously synopsisized in sufficient detail to comply with the requirements of 5.207 with respect to the current proposed contract action. In addition, the notice required by FAR 5.301 Synopses of Contract Awards will be posted as required.

b. Subcontracting competition. Currently, there are no other vendors that meet the ServiceNow SaaS HR Service Delivery (HRSD) module within a certified FedRamp High/IL4 Cloud hosted environment and DoD Provisional Authorization for the Unclassified Government Community Cloud IL4/IL5 cloud access point (CAP) platform. In addition, Carahsoft as Prime contractor works with a number of sub-contractors on various DOD and Civilian ServiceNow requirements. Carahsoft always requires their sub-contractors to be a certified ServiceNow Services partner. Based off the associated ServiceNow modules and customer, Carahsoft will further require the sub-contractor to have access to Cleared resources and ServiceNow Implementation certificates. Based off Carahsoft understanding of the requirement, they choose Deloitte to be their team member/sub-contractor due to their status as a Global Elite ServiceNow partner with previous experience implementing ServiceNow HR module within the DOD space and has access to cleared certified resources. Will ensure all contractors obtain competition in subcontracting IAW FAR 52.244-5 (Competition in Sub-Contracting) and all other applicable FAR and DFAR clauses (DFARS 252.219-7004, Small Business Subcontracting Plan Test Program) and are included in the solicitation and resulting contract.

7. Actions to Increase Competition: This is a new requirement and there is no previous acquisition history of the required ServiceNow software solutions. If another potential source emerges, CECOM will assess whether competition for future requirements if feasible.

8. **Market Research:** In accordance with the DFARS 208.7402, requires that Defense Departments and Agencies shall fulfill requirements for commercial software and related services in accordance with the DoD Enterprise Software Initiative (ESI) Program. A review of the ESI BPA terms, conditions and prices were conducted. Although the ESI BPAs are mandated sources, the Government did compare other GSA Advantage vehicles which supply ServiceNow commercial software and support services. The Government determined that procurement via the ESI BPAs represented the only solution to the Government. Because the vendors were competitively awarded the ESI BPAs, no further market research was conducted.

The following techniques were used to compile meaningful, complete, and current market research:

- a) Personal knowledge in procuring supplies/services of this type.
- b) Contact with knowledgeable persons in Government and industry regarding the commercial nature of this requirement and standard industry practices in this area of supply.
- c) Review of recent market research results for similar or identical supplies.
- d) Review of Government and/or commercial databases for relevant information.
- e) Review of source lists for identical or similar items obtained from Government.

Market research was conducted between January to July 2022 and verified as well as supplemented by the Contract Specialist in August 2022. Market research findings indicate that the brand-name ServiceNow Software licenses, services, and HRDS module implementation are available via the mandated DoD ESI agreements. Army CHES is the Army's Software Project Manager (SPM) for DoD ESI agreements and Carahsoft Technology Corporation is the only authorized vendor under BPA No. N66001-19-A-0120 to meet this requirement.

Furthermore, on the basis of this research there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns that are competitive in terms of market prices, quality, and delivery to meet this requirement. Based on a review of the DoD ESI website, Carahsoft Technology Corporation is the only authorized vendor that has been awarded the existing BPA no. N66001-19-A-0120 to provide the Government with ServiceNow product solutions.

There are several policies DoD, DFARS regulations, CIO Guidance and Policy memorandums, and Army regulations in place which mandate the use of DoD ESI as follows: DoD 5000.02, DoD 5000.74, Department of Defense (DoD) Chief Information Officer (CIO) Guidance and Policy Memorandum No 12-8430-July 26, 2000 – Acquiring Commercially Available Software, DFARS 208.74, DFARS PGI 208.7403, DFARS PGI 251-1, DFARS 252.251-7000, DoD 5000.02, PARC Training Alert # 15-11: DOD Enterprise Software Initiative Training, Army, (7034) ESA Memo. Department of Army, Memorandum, Enterprise Software Agreements, dated Dec 29, 2006, and AR-25.

Army Regulation 25-1 states that CHESS is the primary source for IT purchases and AFARS 5139.101 states that CHESS is the mandatory source for commercial IT purchases and purchasers of commercial hardware and software must satisfy their IT requirements by utilizing CHESS first. As previously indicated, CHESS is the Army's Software Project Manager for the Enterprise Software Initiatives.

DFARS 208.7402 requires that Defense Departments and Agencies shall fulfill requirements for commercial software and related services in accordance with the DoD Enterprise Software Initiative (ESI) Program.

In conclusion, it is recommended to be in the best interest of the Government to purchase the required ServiceNow software licenses, training, services and module via the DoD ESI agreement, Contract No. N66001-19-A-0120 held by Carahsoft Technology Corporation.

9. Interested Sources: To date, no other sources have written to express an interest.

10. Other Facts: As a SaaS offering, ServiceNow has received and obtained a DOD Provisional Authorization as an acknowledgement of risk based on an evaluation of the Cloud Service Provider Cloud Service Offering and the potential for risk introduced to DoD network per the DoD Cloud Computing Security Requirements Guide, v1.3, dated 6 March 2017. DoD Provisional Authorization for the Unclassified ServiceNow Service Automation Government Cloud Suite, Software as a Service (SaaS), Government Community Cloud/Hybrid Cloud Impact Level 4, System Acronym: ServiceNow GCC, dated 23 May 2021.

Software as a Service (SaaS) provides the capability to the consumer to use the provider's applications running on a cloud infrastructure. The applications are accessible from various client devices through either a thin client interface, such as a web browser (e.g., web-based email), or a program interface. The consumer does not manage or control the underlying cloud infrastructure including network, servers, operating systems, storage, or even individual application capabilities, apart from limited user-specific application configuration settings.

Procurement History. This requirement has been procured in the past Sole Source via DoD ESI BPA N66001-19-A-0120 by the following Government agencies:

U. S. Army Civilian Human Resources Agency

BPA Call no. W52P1J-20-F-4074, awarded to Carahsoft Technology Corporation on September 22, 2020, with a Period of Performance (POP) from 09/27/2020 to 09/26/2022

Description of requirement: This requirement procured ServiceNow solutions which included associated modules: Human Resource (HR) Service Delivery, IT Business Management, and IT Service Management. The ServiceNow platform provides Information Technology (IT) Service Management and HR functions (service desk, request fulfillment, incident resolution, change management, employee case management) to all Civilian Human Resources Agency (CHRA) end users.
Method of procurement: Noncompetitive procurement / Sole Source via Department of Defense Enterprise (DoD) Enterprise Software Initiative (ESI) agreements
Contract type: Firm-fixed-price (FFP)

Delivery requirements: Order placed against BPA no. N66001-19-A-0120
Total awarded amount: [REDACTED]
Number of option periods: One (1)
Follow on contract: No
Number of Offerors: Limited Sources / One offeror
Source Selection Method: Sole Source via DoD ESI BPA N66001-19-A-0120
Basis for fair and reasonable pricing: Historic cost information and availability

U. S. Army Program Executive Office (PEO) Aviation

BPA Call no. W9124P-21-F-0993 awarded to Carahsoft Technology Corporation on September 24, 2021, with a Period of Performance (POP) from 09/25/2021 to 09/24/2022

Description of requirement: PEO Aviation procured the ServiceNow HR Service Delivery (HRSD) module. The licenses and professional services enabled PEO Aviation to build out enterprise personnel management capabilities. This project directly supported the number one priority outlined in PEO's FY21 Campaign Plan. Completion of the project provided enterprise employee onboarding, transition, and transfer management capabilities as well as an HR specific knowledge base.
Method of procurement: Noncompetitive procurement / Sole Source via Department of Defense Enterprise (DoD) Enterprise Software Initiative (ESI) agreements
Contract type: Firm-fixed-price (FFP)
Delivery requirements: Order placed against BPA no. N66001-19-A-0120
Total awarded amount: [REDACTED]
Number of option periods: Zero (0)
Follow on contract: W9124P-22-F-0298
Number of Offerors: Limited Sources / One Offeror
Source Selection Method: Sole Source via DoD ESI BPA N66001-19-A-0120
Basis for fair and reasonable pricing: Historic cost information and availability

11. Technical Certification:

I certify that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

Signature:

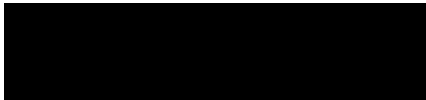


Date: 09/12/2022

, Chief Technology Officer, CECOM CIO/G-6**12. Requirements Certification:**

I certify that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.

Signature:

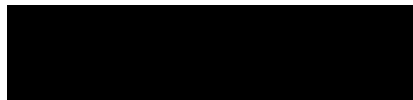


Date: 09/12/2022

, Chief Technology Officer, CECOM CIO/G-6**13. Fair and Reasonable Cost Determination:**

I hereby determine that the anticipated cost to the Government for this contract action will be fair and reasonable. This determination will be made using the following: Price Analysis and the Independent Government Estimate (IGE). As part of this basis, certified cost or pricing data will not be required based on the commercial item exception at FAR 15.403-1(c)(3). By placing an order against a schedule contract using the procedures in FAR 8.405, the Contracting Officer has concluded that the order represents the best value and results in the lowest overall cost alternative to meet the Government's needs.

Signature:



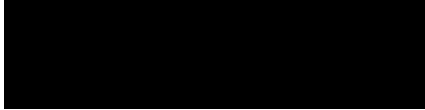
Date: 9/13/22

Rex M. Valdez, Procuring Contracting Officer

14. Contracting Officer Certification:

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


Signature:



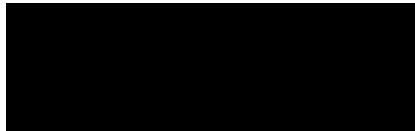
Date: 9/13/22

Rex M. Valdez, Procuring Contracting Officer

Approval

Based on the foregoing justification, I hereby approve limiting sources in the acquisition of ServiceNow Software as a Service and Human Resources (HR) Service Delivery Module with an estimated total amount of  pursuant to the authority of 10 U.S.C. 2304(c)(1) as implemented in Federal Acquisition Regulation (FAR) 8.405-6(a)(1)(i)(B) Only one responsible source and no other supplies or services will satisfy agency requirement, subject to availability of funds, and provided that the services and property herein described have otherwise been authorized for acquisition.

Signature:



Date: 9/13/22


Command Advocate for Competition