



DEFENSE LOGISTICS AGENCY
DLA CONTRACTING SERVICES OFFICE – PHILADELPHIA
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JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

Upon the basis of the following justification, I hereby approve the issuance of the contractual action described below using an exception to fair opportunity, pursuant to the authority cited herein.

1. IDENTIFICATION OF THE AGENCY AND CONTRACTING ACTIVITY:

Agency Requiring Activity:

[REDACTED]

Contracting Activity:

DLA Contracting Service Office - Philadelphia (DCSO-P)

[REDACTED]

2. NATURE AND DESCRIPTION OF THE ACTION BEING APPROVED:

Pursuant to FAR 16.505(b)(2), the action being approved is an exception to fair opportunity process. This justification authorizes the procurement of additional Enterprise Business System (EBS) production support services via a modification to DLA J6 Enterprise Technology Services (JETS) Task Orders SP4709-21-F-0079 and SP4709-21-F-0080 (collectively, “the Task Orders”), which were competitively awarded under the JETS Indefinite Delivery Indefinite Quantity (IDIQ) contract vehicle on July 8, 2021. Award was made to Accenture Federal Services (AFS) (Contract #: SP4709-17-D-0023, Task Order #: SP4709-21-F-0079) and its Contracting Teaming Arrangement (CTA) partner, Coggins International (Contract #: SP4709-17-D-0106, Task Order #: SP4709-21-F-0080).

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3. DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS, INCLUDING AN ESTIMATED DOLLAR AMOUNT:

DLA J62E requires additional EBS production support services to address the EBS ticket backlog and continue to meet Service Level Agreement (SLA) requirements.

EBS is the Agency's Enterprise Resource Planning (ERP) central component. The system provides logistics services world-wide to meet critical Department of Defense (DoD) missions. The EBS Production Support Task Orders maintain and sustain the EBS system by providing contractor support for on-going J62E analysis, requirements, design, development, integration, test, deployment, and sustainment for EBS Portfolio Management (PfM) modernization and sustainment programs.

After award of the EBS Production Support Task Orders, the Agency re-baselined the Top 60 Request for Change Priority list to be completed prior to Cloud migration and standardization to a new SAP version. These changes competed with ticket priorities causing an increased ticket backlog. Additionally, the new EBS Cloud environment is undergoing post cloud migration stabilization activities. Therefore, to work Agency-level efforts for Defense Business Transformation, the EBS Portfolio must support the increased ticket volume to stabilize in the new environment, which is creating increased testing cycles to keep the ERP components fully integrated.

This requirement was not known until after Cloud migration. The EBS Production Support Task Orders accounted for known variables, but DLA did not know the extent of the migration issues when the EBS Production Support Performance Work Statement (PWS) was written, or prior to the award of the Task Orders, because the Cloud implementation had not yet occurred.

The need for additional EBS production support services is a result of the EBS technical refresh and Cloud migration. The EBS production support contractors must now address the EBS ticket backlog workload while continuing to meet SLA requirements. The required support includes standard software development lifecycle best practices for EBS within the scope of the Task Orders.

DLA requires immediate, additional support for the remainder of current Option Period 1, as well as additional support for twelve-month Option Period 2 and six-month Option Period 3. The estimated dollar value of this requirement for the remainder of Option Period 1 (September 1, 2022, through January 31, 2023) is [REDACTED]. The estimated dollar value of Option Period 2 (February 1, 2023, through January 31, 2024) is [REDACTED], and the estimated dollar value of Option Period 3 (February 1, 2024, through July 31, 2024) is [REDACTED].

The total estimated dollar value of this effort is [REDACTED].

4. IDENTIFICATION OF THE EXCEPTION TO FAIR OPPORTUNITY (SEE FAR 16.505(b)(2)) AND THE SUPPORTING RATIONALE, INCLUDING A DEMONSTRATION THAT THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR THE NATURE OF THE ACQUISITION REQUIRES USE OF THE EXCEPTION CITED:

Pursuant to FAR 16.505(b)(2)(i)(B), an exception to the fair opportunity process is justified because only AFS and its CTA partner, Coggins International, can provide the services required at the level of quality required because the services ordered are unique and highly specialized. The skill sets necessary to satisfy this Agency requirement are currently unique to the incumbent contractors, both of which have remained successful in performing under their respective task orders.

AFS and Coggins International are uniquely qualified to support this effort based on their institutional knowledge of EBS and proven past performance in support of several DLA programs and applications. The contractors' knowledge and experience will be leveraged to support EBS ticket efforts, which require task-unique, detail-oriented specialists who can easily interpret requirements and ensure responsiveness and successful performance.

Additionally, DLA J62E must keep pace with maintenance of the current system, address post-migration issue tickets in a timely manner, deliver Agency top priorities, and participate in SAP enhancement upgrades to meet the Agency modernization goals set out in the DLA Director's Annual Operating Plan. Tickets over 180 days require immediate attention to prevent the potential risk of unidentified errors that could cause audit non-compliances, increase SAP maintenance cost, and hinder standardization efforts across the Enterprise. Only the incumbent contractors possess the familiarity and specialized experience with EBS to satisfy these ticket, maintenance, and modernization requirements without exposing the Agency to the aforementioned risks. The firms' extensive expertise with EBS and system tools are crucial in addressing ticket backlog and maintaining the application.

Given the current deployment schedule for technical upgrades, hosting environment changes, and modernizing existing capabilities in EBS (began February 17, 2022, and continues through April 30, 2025, for over 30 technical projects critical to modernization and standardization of EBS), utilizing an alternate contractor for this effort would result in delays to modernization goals and maintenance requirements, and would result in delays and/or cross performance issues that could have significant impact to DLA J62 IT modernization initiatives such as Enterprise S4/HANA Business Process Reengineering (BPR), capability implementations, and automation efforts. Additionally, failure to keep EBS on the same schedule as the modernization efforts currently in progress would result in significant rework. It is essential that this effort keep pace with Agency priorities to enable DLA to best support the warfighter. Furthermore, expertise regarding the technical details and functional configuration of EBS is essential to ensure interoperability between the ERP components. Only AFS and Coggins International possess the necessary expertise that would enable them to perform the required services on time to meet the EBS SLA.

Based on the Government's experience, it takes approximately one year for SAP subject matter

experts to develop the necessary EBS expertise to work complex system changes independently (including 3 months of system monitoring, 3 months of working tickets, 3 months of configuring simple system changes, and 3 months of shadowing experienced developers on more complex system changes). Therefore, only AFS and Coggins International have the requisite expertise to meet this requirement in the necessary timeframe and can provide the required services at the level of quality required. Accordingly, this work must be awarded to AFS and Coggins International.

5. DETERMINATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE:

As the Contracting Officer, I hereby determine that the anticipated cost to the Government will be fair and reasonable. The contractors' proposals will be analyzed in accordance with FAR 15.404-1 procedures. It is anticipated that the Government will use various price analysis techniques including, but not limited to: (1) Comparison of proposed prices with competitive price lists in accordance with FAR 15.404-1(b)(2)(iv) and (2) Comparison of proposed prices obtained through market research for the same or similar items, to obtain a fair and reasonable price.

6. ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

N/A

7. A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE EXCEPTION TO FAIR OPPORTUNITY BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

For the reasons stated above, DLA requires that this modification for the additional support described in Section 3 be issued on a sole-source basis. This additional work will be included in any PWS for future EBS Production Support requirements and will be solicited on a competitive basis.

DLA has exercised, and continues to exercise, competition as often as possible and is required to conduct ongoing reviews of technology and corresponding services, both in private industry and in the Government. The EBS Production Support Task Orders were competitively awarded under the JETS IDIQ contract. All eligible JETS IDIQ contract holders were given a fair opportunity to be considered for award.

DLA uses a variety of vendors, manufacturers, and contracts/orders to fulfill its requirements and will continue its practice of surveying the market to ensure full and open competition to the maximum extent practicable. At the conclusion of the EBS Production Task Orders, all eligible JETS IDIQ contract holders will have fair opportunity to compete for the EBS Production Support follow-on award(s).

8. CERTIFICATIONS:

[REDACTED]

[REDACTED]

[REDACTED]

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