

U.S. Army Corps of Engineers
Humphreys Engineer Center Support Activity

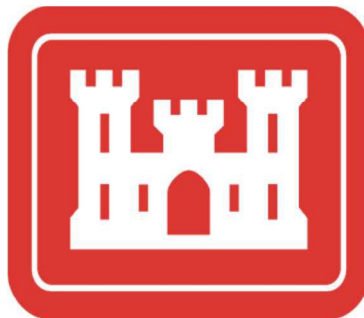
*US Army Corps of Engineers Information Technology
Oracle Enterprise Hardware Maintenance*

Justification for an Exception to Fair Opportunity

FAR 16.505(a)(4) – Only One Manufacturer

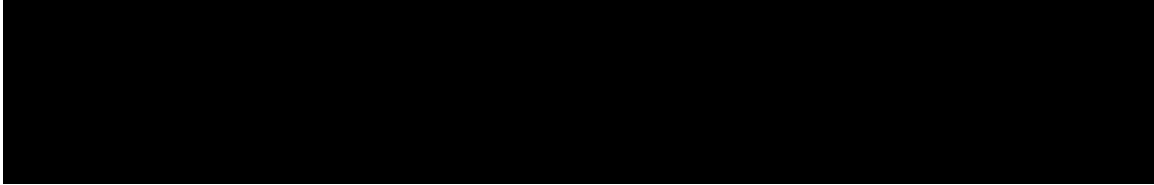
Estimated Amount: [REDACTED]

Period of Performance: 01 May 2020 through 30 April 2021



Prepared by:

Contract Specialist:

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Signature: _____

Technical/Requirements Representative:

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Signature: _____

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

Office of Small Business Programs:

[Redacted]

Signature: _____

Contracting Officer:

[Redacted]

Signature: _____

Business Oversight Branch Team Lead:

[Redacted]

Signature: _____

Legal Counsel:

[Redacted]

Signature: _____

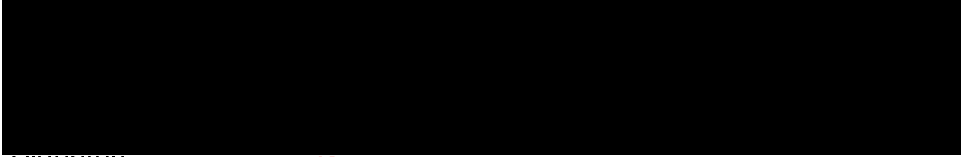
Contracting Center Chief:

[Redacted]

Signature: _____

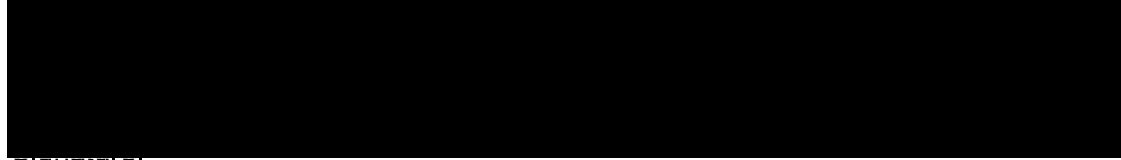
SCO-ALX Concurrence:

HQ USACE Office of Counsel:



Signature: _____

HQ USACE Technical:



Signature: _____

HQ USACE Office of Small Business:



Signature: _____

1. Contracting Agency: United States Army Corps of Engineers (USACE), Humphreys Engineer Center Support Activity (HECSA), 7701 Telegraph Road, Alexandria, Virginia 22315.

2. Description of Action: Approval is requested for a new, firm-fixed price delivery order, to be competed amongst Computer Hardware, Enterprise Software and Solutions (CHESS), Information Technology Enterprise Solutions – 3 Hardware (ITES-3H), Indefinite-Delivery Indefinite-Quantity (IDIQ), Oracle Authorized Reseller contract holders, under FAR 16.505, for the acquisition of Oracle Enterprise Hardware Maintenance for the Army Corps of Engineers Chief Information Office (CIO). This delivery order will be funded with Army Civil Works (96x4902) appropriations.

3. Description of Supplies: The CIO requires the acquisition of commercial Oracle Enterprise Hardware Maintenance products. This requirement includes Oracle Premier Support, Data and Device Retention services, and software support for Solaris operating systems. This requirement is primarily for hardware warranty maintenance.

The total delivery order period of performance is one year beginning 01 May 2020 through 30 April 2021. The total delivery order estimate is [REDACTED] and is broken down as follows:

Premier Support and Device and Data Retention:
Extended Support for Oracle:
Premier Support for Oracle:
Software Support for Oracle:
Total:



The Purchase Description of the software required is listed in the table below:

Item	Oracle Product Description	Quantity
1	Premier Support & DDR for Oracle CSI# below: 17028718, 17092300, 17096668, 17116558, 17139715, 17153310, 17303052, 17351647, 17454580, 17515186, 17533628, 17565258, 17573614, 17613971, 17639659, 17645496, 17660851, 17744833, 17816508, 17818674, 17929586, 18023897, 18182939, 18184268, 18185378, 18208330, 18209810, 18227544, 18242518, 18268098, 18704347, 18833617, 19517672, 19583784, 20082675, 20641197, 20721801, 20723605, 21965808, 21974416	1
2	Extended Support for Oracle CSI# below: 17096668, 17153310, 17303052, 17351647, 17565258, 17573614, 17613971, 17645496, 17660851, 17744833, 17816508, 18182939, 18184268, 18185378, 18208330, 18242518, 19517672, 20082675	1
3	Premier Support for Oracle CSI# below: 17064747, 17123239, 17660851	1
4	Software Support for Oracle CSI# 17816508	1

4. Authority Cited: This acquisition is conducted under the authority of FAR Subpart 16.505, Ordering, and FAR 16.505(a)(4), only one manufacturer.

5. Reason for Authority Cited: USACE IT systems are run primarily on Oracle based hardware devices located in Vicksburg, MS and Hillsboro, OR. These hardware servers support all the Financial Management Systems (CEFMS & RMS) and Water Control Systems of USACE data and IT processing capabilities. This hardware maintenance is essential to ensure the safety and integrity of USACE IT systems and data emerging cybersecurity threats, loss of access due to antiquated/unsupported devices, and data corruption.

Continuing to use Oracle hardware and software is vital to enterprise-wide critical operations, management and implementation of USACE IT Automated Information Systems (AISs) and engineering programs. The USACE Enterprise operates several critical AISs which are based on Oracle platforms, including CEFMS II, P2, the USACE Learning Network, and the USACE Real Estate Corporation Information System utilize proprietary Oracle software. Because Oracle does not permit other companies access to their code, only Oracle and their approved resellers are capable of providing support based on the full understanding of the source code for supplying security patches and updates. Without the use of these AISs, the USACE mission would fail.

Although other business intelligence hardware and software is available, such as Microsoft SQL, SAP, and Netezza, no other manufacturer's products offer the same features and benefits of Oracle, nor have they been tested and/or approved for operational compatibility within the USACE systems network. In order to establish if another brand of business intelligence software would be compatible, the software would need to be obtained and configuration tested with each of the individual USACE automated systems to determine its mission compatibility. The USACE Chief of Software Management estimates the time to migrate to an alternate business software suite, considering all the factors involved with software design modifications for USACE AIS compatibility, certification, and validation, would be a year or more. Additionally, USACE estimates that, due to the complexity of integrating new software into the AIS, the need for training, modifications, and replacement of hardware items currently dependent on Oracle, the potential costs could exceed \$100 million to try to use software other than Oracle. Please see Attachment 1, Analysis of Alternatives.

6. Efforts to Obtain Competition:

- a. *Effective competition:* The Contracting Officer anticipates that two Authorized Oracle resellers available on Army CHES ITES-3H will submit proposals for this requirement. This requirement is exempt from synopsis requirements in accordance with 5.202(a)(6) for orders issued under IDIQ contracts.
- b. *Subcontracting competition:* Not applicable.

7. Actions to Increase Competition: This action will be competed amongst CHES ITES-3H contract holders as described in Section 6a above. USACE CIO will continue conducting market research on a yearly basis to discover any cost-effective products for future replacement for this Oracle hardware. USACE CIO conducts market research to stay current on emerging technologies, vendor solutions, AIS requirements, and competitive products and services.

8. Market Research: The CHES program is the required source of supply for Army hardware and software procurements in accordance with Army Federal Acquisition Regulation Supplement 5139.101-90(a). A Request for Information announcement was issued to CHES ITES-3H and National Aeronautics and Space Administration Solutions for Enterprise-Wide Procurement (NASA SEWP) contract holders. Two CHES and NASA SEWP contractors responded to the RFI with market research quotes. The respondents were: Dynamic Systems, Inc. ("Dynamic Systems"), Affigent, LLC ("Affigent"), ACE Technology Partners ("ACE"), and FedStore. Of these respondents, only Dynamic Systems and Affigent are Oracle Authorized hardware maintenance resellers. Although all of the respondents are capable of providing the hardware maintenance, only Oracle Authorized resellers are capable of providing the maintenance with a warranty. The two Oracle Authorized resellers capable of providing the maintenance warranty are Affigent, LLC and Dynamic Systems, Inc. both of which are CHES

ITES-3H contract holders. Based on the fact that only Oracle Authorized resellers are capable of providing a warranty and CHESS is the mandatory source of supply for Army hardware and software purchases, it is determined that the requirement will be competed amongst CHESS ITES-3H contract holders.

9. Interested Sources: Market research identified the following interested sources: Dynamic Systems, Affigent, ACE, and FedStore. These resellers are all small businesses.

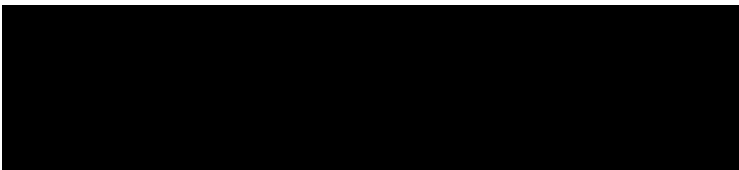
10. Other Facts:

a. *Procurement history.*

- i. Previous contract numbers: Delivery order W912DY19F0264 was issued to Dynamic Systems, Inc. on 30 April 2019 in the amount of \$2,274,758.11 for a one-year period of performance from 01 May 2019 to 30 April 2020. Delivery order W912DY18F0266 was issued to Dynamic Systems, Inc. on 01 May 2018 for a one-year period of performance. The total delivery order value was \$2,021,400.00.
- ii. Competitive Status: 100% small business set-aside on Army CHESS Hardware IDIQ vehicles.
- iii. Previous authority: No previous justification was executed.
- iv. Justification Summary: N/A.
- v. Previous use of full and open competition: N/A.
- vi. Unusual patterns: No unusual patterns identified.
- vii. Prior justification rationale: N/A.

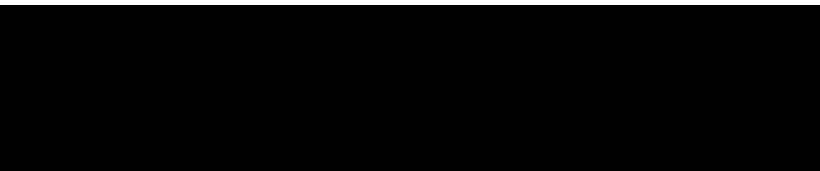
b. *Other facts:* Not applicable.

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

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

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 in accordance with FAR 15.404-1(b)(2)(i), competition, and FAR 15.404-1(b)(2)(iv), comparison with competitive published price lists. This requirement is exempt from the requirement for certified cost or pricing data in accordance with 15.403-1(b)(1) for prices based on adequate price competition.

There is a total of two Oracle Authorized Resellers available on CHESS ITES-3H. There is an expectation of competition for this requirement. Competition has been received on the previous two requirements. This requirement will primarily be determined fair and reasonable by comparison of proposed prices received in response to the solicitation.



Signature

14. Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.



Signature

APPROVAL

Based on the foregoing justification, I hereby approve the procurement of Oracle Enterprise Hardware Maintenance as a brand name only requirement in the amount of [REDACTED] pursuant to the authority of FAR 16.505(a)(4), subject to availability of funds, and provided that the services and property herein described have otherwise been authorized for acquisition.

[REDACTED]

LILLIAN T. FOX

Alternate Advocate for Competition