JUSTIFICATION REVIEW DOCUMENT
FOR EXCEPTION TO FAIR OPPORTUNITY (EFO)

Program/Equipment: Re-procurement of Common Driver Trainer (CDT)

Authority: 16.505(b)(2)(i)(B) Amount: $12,500,000.00

Prepared by: [redacted]
Assistant Product Manager
DSN: [redacted]
Date: 11 APR 16

Contracting Officer: [redacted]
Contracting Officer
DSN: [redacted]
Date: 12 April 16

Technical Representative: [redacted]
Lead System Engineer
DSN: [redacted]
Date: 11 APR 16

Requirements Representative: [redacted]
Product Manager, PM GCTT
DSN: [redacted]
Date: 11 APR 16

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

Program Manager: [redacted]
Signature: [redacted]
DSN: [redacted]
Date: 11 APR 16

Legal Counsel: [redacted]
Signature: [redacted]
DSN: [redacted]
Date: 12 April 16

Command Advocate for Competition: [redacted]
Signature: [redacted]
DSN: [redacted]
Date 13 APR 16

EXCEPTION TO FAIR OPPORTUNITY (EFO)

1. **Contracting Activity:** United States Army Contracting Command, Orlando, Florida.

2. **Description of Action:** The subject contracting action will be for a new Cost-Plus Fixed Fee (CPFF) and Firm Fixed Price (FFP) Delivery Order (DO) to Leidos under STRI Omnibus Contract II (STOC II) for 14 Common Driver Trainer (CDT) Tactical Wheeled Vehicle (TWV) systems. The intent is to fund the first four systems (Lot 0) and option the remaining 10 systems (Lot 1) based on available funding. This DO will salvage already manufactured/procured hardware and software recovered from the recently terminated CDT DO. Funding for this requirement will consist of Fiscal Year (FY) 14 and 15 Army procurement funds from PM TWV. This effort's total period of performance will be for 24 months from date of award. This action is the re-procurement of undelivered systems from the recently terminated CDT DO W900KK-09-D-0501/0003. As part of this DO, the Government will receive a Technical Data Package (TDP) that will allow the Government to execute a competitive award for the remaining CDT requirements not fulfilled under the previous DO.

3. **Description of Supplies/Service**: Product Manager, Ground Combat Tactical Trainers (GCTT) is the requiring activity for this effort. Leidos will execute the CDT TWV effort in three spirals and a retrofit within 24 months. The first spiral includes fielding the first four systems within eight months of award. The majority of this effort encompasses correcting the software deficiencies (156 of 256 critical Deficiency Reports (DR)), hardware/software integration, and formal acceptance testing. Option one consists of spiral two and spiral three. The second spiral includes fielding 8 more systems within the following seven months. The third spiral includes fielding the last two systems.

It is critical to field the 14 new CDT TWV systems to Fort Leonard Wood in order to mitigate the severely degraded Soldier training throughput capability of the legacy United States Army Operator Driving Simulators (USAODS). Since 2014, there has been a successive series of draw down activities of USAODS devices at Fort Leonard Wood in anticipation of the CDT TWV system fielding's. The Army anticipated the fielding of new CDT TWV systems to replace the USAODS family of systems. The Government removed 16 of the legacy 44 USAODS systems in anticipation of receiving the 14 new CDT TWV systems from Lot 0 and Lot 1.

Fort Leonard Wood currently has 28 USAODS student training stations (cabs) remaining. To date, Fort Leonard Wood has not received any backups and/or replacements for the 16 Defense Reutilization and Marketing Office (DRMO) USAODS systems and Soldier training throughput has not changed. With fewer systems available for use, the Government anticipates the pattern of wear for these USAODS

systems, first fielded over 13 years ago, to increase significantly from previous lot years. The next scheduled heavy use period for the Fort Leonard Wood systems will occur 1 April 2016 thru November 2016, as Soldiers are already scheduled during the installations reverse cycle support timeframe.

Table 1 shows a breakdown of cost based on the Independent Government Cost Estimate (IGCE).

Table 1: IGCE Cost Estimate by Lots

Base Year (FY 16) - Lot 0			Option (FY 16) - Lot 1		
CLIN	Item	Cost	CLIN	Item	Cost
00xx	Labor	[redacted]	00xx	Labor	[redacted]
00xx	Other Direct Costs (ODC)	[redacted]	00xx	Other Direct Costs (ODC)	[redacted]
00xx	G&A	[redacted]	00xx	G&A	
00xx	Fee		00xx	Fee	
	Total	[redacted]		Total	[redacted]

The cost represented in Table 1 reflects a Lot 0 total value that encompasses the software fix whereas the Lot 1 total value is for straight production of the systems. Leidos' informal Rough Order of Magnitude (ROM) for Lot 0 is [redacted] and Lot 1 is [redacted] million totaling [redacted] However, Leidos' informal ROM included some assumptions that the government believes will become facts, reducing cost, once they receive all the salvaged Government Furnished Equipment (GFE) from the terminated contractor. Lot 0 remains at 10% of the IGCE baseline while Lot 1 remains close to 20% of the IGCE. The Government believes Leidos' informal ROM for Lot 0 and Lot 1 could reduce once they receive salvaged material/hardware, receipt of proposal and through negotiation. To date the Government has conducted an initial inventory of the hardware currently at [redacted] facility and is in receipt of source code developed under the terminated contract. The Government doesn't currently have access to a Synthetic Software Environment (SSE) computer to fully evaluate the source code. PM GCTT is currently working this issue and hope to resolve soonest.

4. **Authority Cited:** The action will be awarded in accordance with FAR 16.505(b)(2)(i)(B) "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized."

5. **Reason for Authority Cited:** In accordance with FAR 16.505(b)(2)(i)(B) and without substantial duplication of cost, Leidos is the only vendor that is capable of

providing the supplies and services required at the level of quality required because the supplies and services ordered are unique and highly specialized. Through recent market research, the CDT Technical Team determined Leidos has the most CDT historical knowledge, capability and staff to correct the software deficiencies, complete the hardware/software integration testing and result in successful government acceptance testing. They also have the manufacturing capital resources necessary to complete all requirements in the timeliest manner and field a suitable training solution to the field. Reviewing the other original contract proposals from other teams' (small and large companies) designs and schedules, they each would require altering the current design in multiple areas and would require a restart of the development. This would directly cause a significant increase in schedule (more than 18 months - based on their separate proposals) and in cost (new hardware not adaptable to their own design).

The Government terminated (for default) [redacted] on 2 November 2015, pursuant to Federal Acquisition Regulation (FAR) clause 52.249-8, Default (Fixed-Price Supply and Service). Reasons cited include [redacted] consistently failing to meet contractual performance milestones and to deliver a functional and trainable CDT within the contractually obligated due date. Specifically, [redacted] failed to meet the In Plant Acceptance Test (IPAT) contractual performance requirements during testing. These failures resulted from [redacted] inability to satisfy the technical requirements specified in the System Requirement Documents (SRDs). These technical shortcomings include, but were not limited to, the stability of the software components and its inability to operate the hardware in accordance with contractual requirements.

During market research, a Notice of intent to Sole Source was posted to Simulation, Training and Instrumentation-Business Opportunities Portal (STRI-BOP) on 16 February 2016, and was closed on 22 February 2016. The Notice received responses from two companies [redacted]. The Government found and responded to both with described factors in responding to why neither responses were feasible for the Government in this instance. [redacted] was a prior proposal and the most costly. ([redacted] experience is more with Aero simulators and it would introduce a whole new modeling physics during their attempt. These companies, along with others found during recent market research, do not have the depth of historical knowledge, capability or staff necessary to meet current CDT requirements in a timely manner and without significant duplication of effort. The CDT team also found the other offerors and other industry partners would require more time to re-engineer (reuse of GFE hardware) a suitable solution with a direct significant cost and schedule impact.

The Government spent $5M on CDT TWV hardware from the prior terminated contact and this hardware will be obtained as Government Furnished Property (GFP). During the market research, the CDT team found the other designs would impact the current reuse of GFP hardware currently valued over $5M market value. If the Government awarded to a different contractor, it would cost at least $5M for the new hardware alone.

The $5M is 40% higher than the Government total estimated cost/price for this effort. Additionally, the Government has estimated that delivery by anyone other than Leidos would take at a minimum of 10 months from date of award longer than the Leidos delivery schedule. The majority of this effort encompasses correcting the software deficiencies remaining from the recently terminated CDT DO. Leidos is the legacy code developer and the only firm with the unique capability of solving the highly specialized software baseline in the timeliest and most cost effective manner. Through recent market research, the CDT Technical Team determined Leidos has the most CDT historical knowledge, capability and staff to correct the software deficiencies, complete the hardware/software integration and delivery an acceptable TWV CDT system. The intent of this action is to address this immediate requirement and for the Government to receive a TDP that will be used to execute a competitive award for the remaining CDT requirements. The Government needs an expeditious contract award and delivery due to training surge at the Fort Leonard Wood truck driver school. Delivery order, [redacted], for the CDT was awarded to [redacted] on [redacted] after a competitive source selection. The initial delivery of the 14 systems to the truck driver school were to take place over a year ago. The extended delays continue to stress the schools ability to train solders.

Presently, through recent market research, the CDT Technical Team maintains that Leidos has the most CDT historical knowledge, unique capability and staff to correct the software deficiencies, complete the hardware/software integration testing and result in successful government acceptance testing. They also have the manufacturing resources necessary to complete all requirements in the timeliest manner and field a suitable training solution to the field. Leidos plans to deliver the first four systems within eight months of contract award and deliver the remaining 10 systems within the following 14 months. The other companies that proposed (small and large), as well as others found during recent market research, do not have the depth of historical knowledge, capability or staff necessary to meet current CDT requirements in a timely manner and without significant duplication of effort. The CDT team also found the other offerors and other industry partners would require more time to re-engineer a suitable solution directly affecting cost and schedule.

If this EFO is not approved, not only will the Government further incur redundant and significantly increased costs, the impact to the program will be the overall delay to improving the degraded throughput capacity to train Soldiers as well as modernization of legacy CDT systems. In turn, this negatively affects Army readiness for years to come.

6. **Efforts to Obtain Competition:** Based on the information contained in paragraph 5 above, full and open competition for this action is not feasible. In November 2015, after the Government terminated (for default) its CDT contract with [redacted], the CDT team

was provided the legal opinion that pursuit (without full/open competition) of the other original offerors was allowable citing portions of the T4D clause (FAR Clause 52.249-8(2)(b) – (b) and FAR Part 49.402-6 - (b)). The CDT team analyzed the Proposal Evaluation Report (PER) dated 13 May 2013, and found that the remaining three offers (A, B and C; PER available under Non-Disclosure Agreement (NDA)) are unacceptable options for the Government to move forward getting a suitable training device to the Soldier. The CDT team's market research found Leidos (subcontractor on the original award) was suitable in accordance with paragraph 5 above.

7. **Actions to Increase Competition:** Re-competing this repurchase effort is not feasible because the Government already procured the material/hardware under the terminated contract and the bulk of this contract action is to correct software deficiencies identified during IPAT, integrate with material/hardware and retest the CDT virtual training solution. Leidos is the legacy code developer and the only firm with the unique capability of solving the baseline training solution in the timeliest and most cost effective manner. In addition, contracting with Leidos for these 14 systems from the terminated contract will provide the Government a CDT TDP capable of being competed for the remaining systems needed in accordance the original contract. The total TWV requirement is for 32 CDT systems therefore, the Government intends to re-compete the remaining 18 CDT TWV systems after fielding the 14 systems salvaged from the terminated contract. Market research will be performed for all future requirements to identify potential sources.

8. **Market Research:** As part of the market research, the Government conducted the same face-to-face questionnaires during Interservice/Industry Simulation and Education Conference (I/ITSEC) 2015, as well as independent research. A complete market research report is included with the requirements package that addresses CDT needs from industry as well as the current capabilities of companies that originally responded to the 2011 and 2012 Request for Information (RFI). The Government used data points from the original 2011 market research data along with additional market research conducted at I/ITSEC 2015 to support the recommendation in this EFO. Additionally, a Notice of intent to Sole Source was posted to STRI-BOP on 16 February 2016, and was closed on 22 February 2016. The Notice received responses from [redacted]. The PCO responded to both respondents describing the factors used to determine why competition was not feasible in this instance.

Furthermore, the CDT Technical Team affirms through recent market research that Leidos, the original subcontractor, has the most historical CDT knowledge, capability and staff to correct software deficiencies, complete the hardware/software integration and highest likelihood of resulting in successful government acceptance testing. They also have the manufacturing resources necessary to complete all requirements in the timeliest manner. Delivering the first 4 systems within eight months with the remaining

10 systems within the following 14 months. The other companies that proposed (small and large), as well as others found during recent market research, do not have the depth of historical knowledge, capability or staff necessary to meet current CDT requirements in a timely manner and without significant duplication of effort. The CDT team found the other offerors and other industry partners would require more time to re-engineer directly impacting cost and schedule.

9. **Interested Sources:** Leidos provided the Government a ROM to fix the 14 systems from the terminated contract and deliver the first four systems within eight months of contract award. Leidos provided ROM#1 on 23 November 2015 and a revised ROM on 1 December 2015. The Government source selection team deemed the next original small business prime offeror technically unacceptable and a reassessment of the PER, plus additional market research, reaffirmed the Government findings. In accordance with FAR 5202(a) (6), this procurement is not required to be synopsized, as this action is an order under FAR 16.5. Additionally, a Notice of intent to Sole Source was posted to STRI-BOP on 16 February 2016, and was closed on 22 February 2016. Responses were received from [redacted] expressing interest in the requirement. The PCO responded to both respondents describing the factors used to determine why competition was not feasible in this instance.

10. **Other Facts:**
PEO STRI published EFO number 12-0027 in 2012 for Stryker technical refresh.

PEO STRI published EFO number 12-001 in 2012 for two Stryker Variant 2 (SV2) CABs.

Table 2: Listing of CDT Contracts

Contract Number	Date	Competitive or Sole Source	Authority
N61339-00-D-0710-0029	2004	Full and Open Competition	N/A
W900KK-07-D-0710-0002	2008	Sole Source	FAR 16.505(b)(2)(ii)
W900KK-09-D-0323-0002	2009	Sole Source	FAR 16.505(b)(2)(ii)
W900KK-09-D-323-0008	2012	Sole Source	FAR 16.505(b)(2)(i)(B)
W900KK-09-D-0323-0010	2012	Sole Source	FAR 16.505(b)(2)(i)(B)
W900KK-09-D-0501-0003	2013	Competition Small Business Set-Aside	N/A

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."

NAME: [redacted]
TITLE: Lead Systems Engineer

DATE:
SIGNATURE [redacted]

12. **Requirements Certification:** "I certify that the supporting data under my cognizance which are included in this justification are accurate and complete to the best of my knowledge and belief."

NAME: [redacted]
TITLE: Product Manager, PM GCTT

DATE:
SIGNATURE: [redacted]

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 15.403, the Contracting Officer shall ensure that all supplies and services ordered under this contract are procured at a fair and reasonable price. The Contractor will submit a price proposal with certified cost and pricing data and sufficient information to support the accuracy and reliability of the estimate. Experienced Technical Analysts and the Contract Specialist will review the contractor's proposed costs. Analyses will be based on historical cost information and rate data provided by field pricing support agencies. The Contracting Officer will utilize price analysis as the basis for negotiating a fair and reasonable price.

NAME: [redacted]
TITLE: Contracting Officer

DATE: 12 Apr 16
SIGNATURE: [redacted]

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

NAME: [redacted]
TITLE: Contracting Officer

DATE: 12 Apr 16
SIGNATURE: [redacted]

APPROVAL

Based on the foregoing justification, I hereby approve the re-procurement of 14 CDT systems on an other than full and open competition basis pursuant to the authority of FAR 16.505(b)(2)(i)(B), subject to availability of funds, and provided that the services and property herein described have otherwise been authorized for acquisition.

DATE: 13 APR 16

[redacted]

Command Competition Advocate