LIMITED SOURCES JUSTIFICATION

RFQ #DTPH5617Q00006
Logical Follow On to PHMSA's IT Mod. O&M Delivery Order

Upon the basis of the following justification I, as Contracting Officer, approve the use of sources limited to fewer than those required in FAR 8.405-2 pursuant to the authority of 41 U.S.C. 3302 as implemented by FAR 8.405-6(a)(1)(i)(C). This acquisition is conducted under the authority of the Multiple-Award Schedule Program.

1. Agency & Contracting Activity:

Acquisition Services Division
Pipeline and Hazardous Materials Safety Administration (PHMSA)
Department of Transportation
Washington, DC

2. Nature/Description of the action being approved:

The action submitted for approval covers the acquisition of support services in the areas of operations, maintenance support, and system development for the portal, subsystems and supporting components of the PHMSA Information Technology Modernization Initiative. It includes infrastructure and application support services to ensure all components, services and capabilities remain operational, consistent, and are performing at optimal levels. The PHMSA Information Technology Modernization Initiative is supported by specific software platform infrastructure and technology architecture that has evolved to meet the requirements of the organization. This requires contractor staff with expertise in all aspects of software development methodology as well as familiarity with the current technical architecture, business knowledge and the strategic direction of PHMSA.

The resulting award will be a logical follow-on to a Federal Supply Schedule order that was placed in accordance with the applicable Federal Supply Schedule (FSS) ordering procedures. The original order was competed among multiple FSS contract holders and was *not issued* under sole-source procedures. The contemplated type of award is a firm-fixed price delivery order against the current contractor, Catapult Technology Ltd's, GSA contract under Schedule 70, General Purpose Commercial Information Technology Equipment, Software, and Services.

3. Description of Supplies or Services:

PHMSA requires contractor support from Catapult Technology Ltd. for a broad range of IT tasks required to support IT Modernization effort. Tasks may include but not be limited to:

- Project Management & Oversight;

- Operations & Maintenance Support for the portal, subsystems, components subsystems, components & services, and supporting infrastructure of the PHMSA Information Technology Modernization Initiative;
- Integration support activities associated with PHMSA legacy systems;
- Systems analysis, design, and Integration to include software requirements analysis, design, development and implementation/integration into portal;
- Customer training, development and maintenance of system, user and security documentation;
- Security & Vulnerability management & remediation activities;
- Testing and Product Quality Assurance and Testing;
- Support of Commercial-Off-the Shelf (COTS) software products and incidental hardware support.

The PHMSA Information Technology Modernization Initiative is comprised of specific software platform infrastructure and technology architecture which require contracting staff to have expertise in all aspects of software development methodologies as well as familiarity with the current architecture and the strategic direction of PHMSA.

The resulting award will also require contractor staff with expertise in system application support, database administration, and systems development and integration. Expertise may include but is not limited to requirements analysis; software development and maintenance; test and quality assurance plan development; development and maintenance of system and user documentation; and system maintenance and support.

Under this procurement, contractor support will be required in the following 3 service areas:

- **Service Area 1: Project Management**
- **Service Area 2: Operations and Maintenance (O&M) and System Application Development Support**
- **Service Area 3: Integration and Legacy Application Support**

Period of Performance and Government Cost Estimate: The Period of Performance for this order is estimated for One (1) Base Year + a Six (6) Month Option Period, as reflected below:

Base Year: March 28, 2017 – March 27, 2018
Option Period: March 28, 2018 – September 27, 2018

The government cost estimate for this order is $11,279,573.90 (Base + All Options). This estimate was derived from past orders with similar scope, other pertinent documents delivered by Catapult Technology under DO# DTPH56-11-F-000046, and market research.

4. Authority and Supporting Rationale:

In accordance with FAR 8.405-6(a)(1)(i)(C), PHMSA has determined that "in the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order." The original order (DTPH56-11-F-000046) was placed in accordance with the applicable FSS ordering procedures, and was ***not*** previously issued under sole-source or limited-sources procedures.

Under the original order, PHMSA has over five (5) years invested with Catapult Technology in IT operations, maintenance and development to meet PHMSA specific requirements. The current Catapult Technology delivery order meets the majority of PHMA's operations, maintenance and development needs. Under the current delivery order, Catapult has provided services in areas of Project Management, Operations and Maintenance (O&M) Support, Database Design and Management, Systems Analyst Support Services, Integration Support activities associated with legacy systems, and Testing and Quality Assurance. Critical support services have included support for the following Portal capabilities:

Office of Hazardous Materials Safety

- Special Permits
- Approvals
- Online CFR
- Case Management System (CMS)

Office of Pipeline Safety

- Pipeline Asset Manager (PAM)
- Annual Reporting
- Failure Inspection Module (FIM)
- OPID Management
- Work Management System (WMS)
- Facility Response Plan (FRP)
- On-line Data Entry System (ODES)

The Catapult staff has participated in multiple activities and acquired hands-on knowledge and experience regarding PHMSA's requirements. This institutional hands-on knowledge and experience of supporting PHMSA's customization of unique requirements is invaluable to PHMSA's continuing modernization as an organization. Further, market research has demonstrated that critical skills, institutional knowledge and capabilities which are required under the Catapult delivery order may not be currently readily available. Further, as PHMSA transitions into a new administration, institutional knowledge and skill base is extremely valuable and critical to the continued operation of PHMSA offices. Market research and experience has demonstrated that new vendors take time to gather adequate institutional knowledge and proficiency in PHMSA's legacy applications. Changing vendors at this stage could cause a critical gap in service or a significant drop in quality of service for PHMSA which may impact a smooth transition to the new leadership at PHMSA. Accordingly, migrating to another

vendor/contractor will not meet all of PHMSA's current needs and will be detrimental to PHMSA's ability to meet mission critical objectives. Catapult Technology has demonstrated the skill and institutional knowledge of PHMSA's unique requirements and customization needs. In addition, changing vendors at this stage would be considerably more expensive. Over 25 contractor personnel work on this delivery order and just the cost of obtaining clearance for new personnel can be significant. Catapult is currently engaged in several complex initiatives in support of PHMSA that would be adversely impacted by a significant schedule delays if there was a transition to a new vendor at this time. These initiatives include retiring several applications and developing new applications within the PHMSA portal.

Further, FAR Part 8 – Required Sources of Supplies and Services, states that procuring activities should first consider use of the Mandatory Federal Supply Schedules before deciding to procure an item on a full and open basis. Since Catapult Technology has an active GSA contract, PHMSA has determined that Catapult is capable of performing the services without interruption. PHMSA requires work on the follow-on requirement to begin immediately and conducting a competition for them would result in substantial and unacceptable delays. This order allows the Government to retain knowledge and skills gained under the original order, and to leverage its buying power to gain best value and receive high quality services. Catapult Technology will meet all of PHMSA's needs at a reasonable cost. Switching contractors at this point would cause operational interruptions and inefficiencies, and would result in redundancies and unjustifiable costs.

For the aforementioned reasons, PHMSA has determined that the circumstances cited at FAR 8.405-6(a)(1)(i)(C) are applicable to this requirement, and that Catapult Technology represents the best value to the Government as a source for providing the required services.

5. Determination of Best Value:

The General Services Administration (GSA) has already determined the prices under schedule contracts to be fair and reasonable pursuant to FAR 8.404(d). Also, as stated in Section 4 above, in addition to the increased costs, re-competing the requirement and training a new contractor would result in program inefficiencies. Based on these factors, the Contracting Officer has determined that this order represents the best value for the Government.

6. Market Research Results:

Market research was conducted by the Acquisition Initiator and PHMSA's Acquisition Services Division for this requirement and it was determined that changing contractors would result in significant cost and schedule overruns. Catapult Technology has evolved to optimally meet all of PHMSA's IT operations and maintenance requirements, while also taking into consideration PHMSA specific business processes, mission objectives, priorities and specific legacy system related issues. The transition of services to another contractor will require an extensive transition period, learning curve related delays and lack of institutional knowledge related inefficiencies. The support provided by Catapult Technology under the current delivery order is a hybrid solution, comprised of adequate skill sets and institutional knowledge, meeting PHMSA's requirements optimally.

The Acquisition Initiator and PHMSA's Acquisition Services Division conducted market research that reflects, at this time, Catapult Technology is the only FSS contractor capable of providing the PHMSA required services at reasonable cost.

7. Actions to Remove or Overcome Barriers:

In the future, PHMSA may compete this requirement to ensure that fair opportunity is given and best value is received.

8. Contracting Officer Certification:

The Contracting Officer's signature below certifies that the justification is accurate and complete to the best of his knowledge and belief, and, the supporting data that forms the basis for the justification has been certified as complete and accurate by requirements personnel.

9. Technical Personnel Certification:

The signature below of the PHF-30 technical representative certifies that the supporting data specified in this document is complete and accurate, and justify the acquisition of the aforementioned services from Catapult Technology Ltd.

CERTIFICATION:

I certify that the facts and representations under my cognizance which are included in this Justification along with any other supporting data and which form a basis for this Justification are complete and accurate.

Edward (Ed) Dunne
PHMSA, PHA-50
[Acquisition Initiator]

3/2/17
Date

Mark Kyriss
Director, Information Resources Management
Chief Information Officer (CIO)
[Program Senior Official]

3/2/17
Date

CONTRACTING OFFICER CERTIFICATION:

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

Warren Osterberg
Contracting Officer

3/16/17
Date