Transportation Security Administration

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

(Cite authority, e.g., 41 U.S.C. 3304(a)(1-7)

Pursuant to the requirements of the Competition in Contracting Act (CICA) as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.3 and in accordance with the requirements of FAR 6.303-1, the justification for the use of the statutory authority under FAR Subpart 6.3 is justified by the following facts and rationale required under FAR 6.302-1 as follows:

1. **Agency and Contracting Activity.**

The Transportation Security Administration (TSA), Intelligence and Analysis (I&A), Program Management Division (PMD) and Contracting and Procurement (C&P) propose to enter into a short term, interim Firm-Fixed price (FFP) bridge contract for Universal Enrollment Services (UES) on the basis of other than full and open competition. The procurement request number is 2118208OIA248 and Contracting and Procurement's Justification and Approval (J&A) tracking number is JA-2018-02-0228.

2. **Nature and/or Description of the Action being approved**

Approval is requested to award a bridge contract to incumbent contractor Idemia (formerly MorphoTrust USA, LLC) for the purpose of providing continuous, uninterrupted enrollment capabilities on behalf of TSA for UES while TSA completes the resolicitation of this requirement. The UES program supports multiple, mission critical transportation sector populations (TSA Pre✓® Application Program, Hazardous Materials Endorsement (HME) Threat Assessment Program (HTAP), Transportation Worker Identification Credential (TWIC), and Alien Flight Student Program (AFSP)). TSA may require time to transition the technical/operational capabilities and infrastructures to a new UES vendor. This justification supports the issuance of an interim FFP bridge contract to Idemia for up to 18 months. The anticipated Period of Performance (PoP) for a new bridge contract shall be from September 05, 2018 through March 04, 2020. This bridge shall consist of a base period of twelve (12) months from September 05, 2018 through September 04, 2019. If the option is exercised, it shall consist of a period of six (6) months starting on September 05, 2019 and ending on March 04, 2020. If the six (6) month option is not exercised, the bridge contract will end on September 04, 2019. The long transition time is necessary to allow the new vendor time to obtain the Authority to Operate (ATO) its proposed solution as well as establish the brick and mortar infrastructure to support the UES program. This flexibility shall provide the Government with sufficient time and resources to plan and oversee an orderly contract transition thus creating minimal disruption to multiple mission critical Government businesses.

TSA estimates the ATO at 6-8 months and the timeframe for a new vendor to establish approximately [redacted] brick and mortar operations at 16 months. The full and open recompetition contract requires our enrollment vendor to operate a network of at least 330 enrollment centers in

distinct locations while considering population-specific demands. TSA's requirements can be complex and costly to support, as in certain circumstances the locations are not centrally located to urban areas or retail establishments.

A new bridge contract vehicle would replace the current UES bridge contract #HSTS02-17-C-OIA095, which expires on September 04, 2018. The estimated total ceiling price for this new FFP bridge contract for up to 18 months, including a twelve (12) month base, and one six-month option period is estimated to be [redacted], which will be funded utilizing approximately [redacted] in applicant fees collected by the contractor from program applicants, approximately [redacted] of non-appropriated fee-funding by way of program fees (such as the TSA Pre✓® Application Program, Hazardous Materials Endorsement (HME) Threat Assessment Program (HTAP), Transportation Worker Identification Credential (TWIC), and Alien Flight Student Program (AFSP)), and [redacted] of optional/future Government fee-funding for transition or maintenance work.

3. **Description of Supplies/Services.**

UES collects the information for TSA to conduct security threat assessments (STAs) to determine whether an applicant is seeking access to critical segments of the nation's transportation system, critical infrastructure or sensitive materials, and either poses or is suspected of posing a threat to transportation infrastructures or national security. STA programs covered under TSA's Intelligence and Analysis (I&A's) Program Management Division (PMD) include, but are not limited to, the Transportation Worker Identification Credential (TWIC) Program, Hazardous Materials Endorsement (HME) Threat Assessment Program (HTAP), TSA Pre✓® Application Program, and Alien Flight Student Program (AFSP).

Depending upon the specific STA program and the related statutory and regulatory requirements, applicants must visit an enrollment center to provide biographic data and, in some cases, biometric data (e.g. fingerprint, iris, and/or photo) and identity/immigration documentation to TSA in an approved and established format to facilitate the STA process.

Idemia currently provides a full suite of enrollment capabilities and the associated technical and operational infrastructure including, but not limited to:

- Information Technology Infrastructure:
    - Enrollment system (software and hardware) to capture and submit enrollment data (biographic, biometric, identity and citizenship documentation) to the government for vetting and case management
    - Public portal to provide enrollment information, pre-enrollment data capture, and post-enrollment applicant status information
    - Non-public portal for reporting and ticket/issue management
    - Fee collection, submission and reconciliation
    - Initial deployment of technology including interface development, connectivity, end-to-end system testing, and certification by TSA Information Technology (IT) granting ATO
    - Ongoing operations and maintenance of systems, resources, equipment including ongoing IT Security authorization requirements

- Operational Infrastructure:
  - Footprint of nationwide enrollment center facilities and personnel to provide in person enrollment capabilities
  - Customer service/call center, technical help desk and escalated issue support
  - Operational support for contracts, personnel security and credentialing, deploying and managing enrollment center locations, training, signage, supplies, financial management, etc.
  - Marketing activities to increase enrollment in TSA programs (i.e. TSA Pre✓®Application Program)

4. **Identification of Statutory Authority Permitting Other Than Full and Open Competition.**

The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1) implemented by the FAR 6.302-1 entitled "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

5. **Demonstration that the Nature of the Acquisition Require Use of the Authority Cited.**

TSA has a requirement to implement a bridge contract provided by the UES contractor (Idemia) to support transition from the current UES bridge contract (#HSTS02-17-C-OIA095) to the full and open competition which is currently in source selection. The UES full and open competition, (RFP 70T02018R9NOIA073), is expected to be awarded in October / November 2018 [redacted]. This proposed interim bridge contract will serve as a transition plan to allow sufficient time for onboarding and a proper transition to the new contractor, since the current bridge expires on September 04, 2018. Due to the historical experience of standing up enrollment centers, a call center, and the ATO, the program office anticipates a range of 18 months for transition. The Government will minimize the length of the bridge contract through the use of an option period which will be exercised based upon need.

Idemia has been the UES provider since September 2012. Their knowledge of and maturity with UES would not be realized with another provider for this bridge effort. Idemia has a unique and highly specialized understanding of the scope of the effort requiring their continued work based on the technological insights gained. All new hires were required to successfully pass both the contractor's background check, as well as TSA's Entry on Duty (EOD) suitability assessment.

Idemia is currently the only vendor who can provide necessary services at this time due to the fact that they have cleared personnel to conduct enrollment services, their system has received ATO designation, their brick and mortar infrastructure is established, and they are ready nationwide to conduct enrollments. TSA has determined that no other vendor has these capabilities or infrastructure to immediately perform this work. TSA cannot award a bridge contract to a new vendor because we need to keep the current contract in place to properly transition, which could take up to 18 months. If TSA does not award this short-term bridge contract, the work will stop.

Examples of the work required to be performed includes, but is not limited to:

- Providing and managing over [redacted] physical enrollment centers across the country, supporting multiple programs (TWIC, HME, TSA Pre✓® Application Program, AFSP)
- Coordinating the logistics and management of the enrollment equipment
- Providing local, on-site technical and management expertise with the appropriate training, skills, experience, and security credentials to support the operations and maintenance of Identity Management Solution (IDMS)
- Managing and operating all software, hardware, business process/capabilities, staff, data privacy, information security, revocation lists and the transmission and data flow of information to external/internal entities
- Operating and maintaining technical interfaces with various systems with which these programs exchanges information
- Providing daily communications with stakeholders and other entities requiring enrollment capabilities
- Maintaining appropriate level of personnel staff with adequate training

When the new UES contract is awarded, a brand new certification process is required in order to achieve ATO for the new UES system. The ATO certification process includes significant work and is a time consuming process managed by TSA's Information Assurance Division (IAD). ATO of a large system can typically take anywhere from 6-8 months at minimum, and once ATO is achieved, the vendor typically has operational and training requirements to implement before deploying, that can add additional time. Regardless of who wins the UES recompete, there are new system requirements and an ATO will be required.

Since the Government does not pay for and would not have the visibility to obtain the contractor's infrastructure (the costs associated with securing personnel, enrollment center locations, and technology), the only cost TSA can quantify is the estimated ATO costs. The cost for TSA to ATO any vendor is between [redacted] and would take six to eight months to receive.

Disruption in the UES operations will bring transportation security threat assessment and credentialing activities to a complete halt, impacting transportation security and the livelihood of transportation workers. TSA would be left without the ability to operate its authorities under the Aviation and Transportation Security Act (ATSA). This cannot be staffed without contractor support. TSA's intention of this requirement is to sustain UES in the private sector in order to maintain the flexibility necessary to accommodate changes in demand for these credentialing activities. It was never the intent for TSA to bring this work in-house.

Each STA program has specific requirements to maintain enrollment centers within certain populations. TSA must abide by the legislation enforced on these fee programs. Contractor support of enrollment centers and enrollment capabilities has always been maintained privately. If a vendor other than Idemia were awarded this short-term effort, this would place the UES program at risk, and inevitably result in a stop of work due to the transition needed to obtain

cleared personnel to conduct enrollment services, obtain ATO of their IT system, and establish brick and mortar infrastructure.

This bridge is the vehicle that will allow for a transition to another contractor as part of the UES recompete solicitation, so there is no viable option to utilize another contractor to satisfy the requirements of this bridge.

6. **Description of Efforts Made to Ensure that Offers are Solicited from as Many Potential Sources as is Practicable.**

A notice of intent to sole source was published via FedBizOpps on May 01, 2018, requesting that parties express in writing their interest to the Contracting Officer. Only one contractor other than the incumbent responded requesting incumbent contact information for subcontracting opportunities. There were no other parties expressing interest, and the synopsis closed on May 31, 2018.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable.**

The Contracting Officer will ensure that the resulting contract represents pricing that is fair and reasonable by comparing the future Idemia proposal to the Statement of Work, the Independent Government Cost Estimate (IGCE), and reviewing historical pricing for the same items by comparing those prices against Idemia's current UES bridge with TSA (#HSTS02-17-C-OIA095) and accounting for any escalation. The resulting bridge contract, just like the previous UES contracts, collects fees from enrollees. Those fees pay the contractor for capabilities provided and reimburses the Government for its services.

Congress has directed that the STA programs be fee-based and self-sustaining. DHS Appropriations Act, 2004 (Sec. 520) requires the Secretary, for FY2004 and thereafter, to charge reasonable fees for providing credentialing and background investigations in the field of transportation.

Up until this point, TSA has relied on contractor support for the enrollment portion of the STA application/process. Currently, when an applicant pays the required total amount at the time of enrollment, the contractor will retain the "enrollment segment" of the payment prior to remitting the remaining segments to TSA and FBI, respectively. The Government also uses those same fees to fund any engineering work it needs done. This program is funded utilizing non-appropriated fee-funding by way of program fees (such as the TSA Pre✓® Application Program, Hazardous Materials Endorsement (HME) Threat Assessment Program (HTAP), Transportation Worker Identification Credential (TWIC), and Alien Flight Student Program (AFSP)).

8. **Description of Market Research.**

TSA is currently conducting a full and open competition. Prior to release of the solicitation, C&P issued an RFI in March 2016 and held an industry day in October 2017.

TSA received 10 responses to the RFI/sources sought notice. Of the 10 companies who responded, four (4) companies were identified as having FBI direct channeling capability, a key requirement listed in the RFI. Furthermore, these four (4) companies also demonstrated that they are currently utilizing this capability in supporting other efforts. These four companies, along with one additional company, were invited for meetings with TSA to further describe their enrollment approach.

Based on the market research, it was determined that the UES requirements could be procured using full and open competition. Due to the lead time required to conduct a full and open competition and the lead time for a company to establish the necessary infrastructure (personnel, enrollment center locations, and technology), a sole-source bridge contract award will allow the continuation of ongoing critical support capabilities, only until a new contract is awarded and transition is complete.

9. **Any Other Facts Supporting the Use of Other Than Full and Open Competition.**

The current contractor is the only source available to satisfy I&A's mission while preventing a disruption in coverage. Alternatively, TSA would have to discontinue enrollment capabilities until a new contract is awarded. This is not feasible as these capabilities are mission critical to TSA with national and transportation security implications. Interrupted capabilities poses an unacceptable degree of risk at a national security level.

10. **A Listing of the Sources, if Any That Expressed, in Writing, an Interest in the Acquisition.**

A notice of intent to sole source was published via FedBizOpps on May 01, 2018, requesting that parties express in writing their interest to the Contracting Officer. Only one contractor other than the incumbent responded requesting incumbent contact information for subcontracting opportunities. There were no other parties expressing interest, and the synopsis closed on May 31, 2018.

11. **A Statement of the Actions, if Any, the Agency May Take to Remove or Overcome Any Barriers to Competition Before Any Subsequent Acquisition for Supplies or Services Required.**

TSA C&P moved quickly following the DHS approval of the formal Acquisition Plan (AP) which was granted in late February 2018, and subsequently issued solicitation 70T02018R9NOIA073 on March 07, 2018 on FedBizOpps. The I&A PMO is currently evaluating competitive proposals and plans to award a ten-year IDIQ and task order planned for implementation October / November 2018.

12. **Contracting Officer's Certification.** I certify that the data supporting the recommended use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

Gloria A. Reid 8/6/2018

Contracting Officer Date

13. **Technical/Requirements Personnel Certification.** I certify this requirement meets the Government's minimum need and that the supporting data, which forms a basis for this justification, is complete and accurate.

Carolyn Mitchell 8/6/2018

Technical Representative Date

APPROVAL:

8/6/2018

Competition Advocate Date

8/6/2018

Head of Contracting Activity Date

8/7/18

Chief Procurement Officer (ACTING) Date

[redacted]

[redacted]