



**DEPARTMENT OF THE NAVY**  
SPACE AND NAVAL WARFARE SYSTEMS COMMAND  
701 S. Courthouse Rd., Suite 1400  
Arlington, VA 22204

No. 16,936  
PMW-220

**JUSTIFICATION AND APPROVAL  
FOR OTHER THAN FULL AND OPEN COMPETITION**

Upon the basis of the following justification, I, as Director of Contracts, Space and Naval Warfare Systems Command, hereby approve the use of other than full and open competition for the proposed contractual action pursuant to the authority of 10 U.S.C. 2304(c)(1) Only One Responsible Source (FAR Subpart 6.302-1). The services required are available from only one responsible source and no other type of services will satisfy the Navy's requirements.

**JUSTIFICATION**

**1. Agency and Contracting Activity**

Department of the Navy (DoN), Space & Naval Warfare Systems Command (SPAWAR), 701 S. Courthouse Rd., Suite 1400, Arlington, VA 22204. The point of contact (POC) is Mr. David Bodner, which may be contacted at (703) 604-0315 or at David.Bodner@navy.mil.

**2. Nature/Description of Action**

The Space and Naval Warfare Systems Command intends to award a contract on a sole source basis to SAP Government Support and Services, Inc., for SAP consulting and technical support services to assist the Navy Enterprise Resource Planning (ERP) Program in using industry best practices in the use and implementation of SAP software. The expected Period of Performance is from 18 November 2012 to 30 September 2015. The estimated total value is \$6.0 million for the total requirement of 18,050 staff hours.

**3. Description of Supplies/Services**

The scope of this effort is to provide highly technical consulting and support services to ensure the successful sustainment of the Navy ERP solution. Services to be provided include: advising on Navy ERP unique information management system requirements, assessing and adapting SAP products to optimize the Navy ERP solution, and developing plans to support implementation of Navy ERP throughout the Department of the Navy (DoN).

It is anticipated that a Firm-Fixed-Price (FFP) Level of Effort (LOE) contract will result from the Request for Proposal (RFP) and contract type negotiation. The work accomplished under this contract will take place at Government provided facilities located in Annapolis, MD.

**4. Identification of Statutory Authority**

Only One Responsible Source (FAR Subpart 6.302-1) 10 U.S.C. 2304(c)(1).

## **5. Demonstration of Contractor's Unique Qualifications**

The backbone of the Navy Enterprise Resource Program (ERP) System is the proprietary commercial ERP software developed by SAP. Only SAP can provide the necessary in-depth level of expertise, related to the software, which the Program requires. Only SAP has the understanding of and the ability to troubleshoot and modify the proprietary core components of the ERP System. SAP has worked closely with the DoN since 2002 to develop and deploy the functionality and technical configuration baseline that forms the basis of the Navy ERP solution. SAP is the only company that can provide complete detailed knowledge of the SAP software, as it is implemented in the Navy ERP financial management and supply solution. Therefore, only SAP has the necessary knowledge, expertise, and experience, with its proprietary Commercial-off-the-shelf (COTS) software, to be able to successfully perform the required technical advisory services at the level of quality required by the DoN. In addition, only SAP has access to and understanding of the planned changes and enhancements and the future strategic direction of its software. This information is critical, as the Navy ERP program continues to develop its vision and plans for deploying future business capabilities supported by the SAP software.

## **6. Government-wide Point of Entry (GPE)/FedBizOps Announcement/Potential Sources**

This effort was synopsized in FedBizOps on 13 July 2012. To date, no responses have been received.

## **7. Determination of Fair and Reasonable Cost and Best Value**

Based on the historic cost information currently available, the Contracting Officer has adequate information to ensure that the cost to the Government for this acquisition will be fair and reasonable and that the contract will represent the best value and result in the lowest overall cost alternative to meet the Government's needs.

## **8. Description of Market Research**

The four holders of DoD Enterprise Software Agreements (ESA) for SAP software and services were considered as possible sources. Three of the four ESA holders were capable of providing standard software support services. Only one, SAP Public Sector, was capable of providing the higher level of service that only the developer and manufacturer of the proprietary SAP software can provide. However, SAP Public Sector, as an entity with Foreign Ownership, Control or Influence (FOCI), would be precluded from obtaining access to the Navy ERP system. This lack of access would seriously compromise SAP Public Sector's ability to provide the type of advice and services that the DoN requires. The market research determined that the only SAP entity that is FOCI-mitigated and can therefore obtain the necessary access to the Navy ERP system is SAP Government Support and Services.

## **9. Any Other Supporting Facts**

The technical and requirement codes have verified that the requirements, as stated in the specifications and performance work statement (PWS), represent the Government's minimum requirements and performance outcomes for support during the period of performance. This acquisition will satisfy the requirements of the Navy ERP program office. This Justification and Approval (J&A) does not authorize acquisitions for any other requirements.

SAP software is COTS and proprietary to its manufacturer, SAP. The proprietary rights owned by SAP are required in order to provide in-depth knowledge and consulting concerning their software and its effective use in ERP solutions, installation, and implementation.

**10. Listing of Other Interested Sources**

None identified.

**11. Actions Taken to Remove Barriers to Competition**

There are no future plans to establish competition for the reasons stated in paragraphs 5 and 8 above.

**12. Statement of Delivery Requirements**

The period of performance for the proposed contract is estimated to be 18 November 2012 to 30 September 2015.

**13. Total Estimated Dollar Value of the Acquisition Covered by this J&A**

The total estimated value of this award is \$6,000,000, as is estimated as follows:

<b><u>Funding Type and Fiscal Year</u></b>	<b><u>Total Amount</u></b>
FY 2013 O&MN, N	\$2,000,000
FY 2014 O&MN, N	\$2,000,000
FY 2015 O&MN, N	\$2,000,000
<b>Total:</b>	<b>\$6,000,000</b>

**TECHNICAL AND REQUIREMENTS CERTIFICATION (FAR 6.303-2(b))**

I certify that the facts and representations under my cognizance, which are included in this Justification which form a basis for this justification are complete and accurate.

**Technical Cognizance: (One level below requirements recommendation)**

Signature: [Redacted]

Printed/Typed Name and Title Code Phone  
Date

**Requirements Cognizance: (applicable program director, directorate head, or program executive officer, or in their absence, their immediate deputies.**

Signature: [Redacted]

Printed/Typed Name and Title Code Phone Date

**REVIEW FOR LEGAL SUFFICIENCY**

This justification is determined legally sufficient.

Signature: [Redacted]

Printed/Typed Name and Title Code Phone Date

**CONTRACTING OFFICER CERTIFICATION (FAR 6.303-2(a)(12))**

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

Signature: [Redacted]

Printed/Typed Name and Title Code Phone Date

**APPROVAL BLOCK (FAR 6.304 and DFARS 206.304)**

**APPROVED:**

Signature: [Handwritten Signature]

Printed/Typed Name and Title Code Phone Date  
9/26/12 T.M. DOWD

**\*ALL QUESTIONS REGARDING THIS J&A ARE TO BE REFERRED TO David Bodner, PCO - (703) 604-0315; david.bodner@navy.mil**