

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

Automated Cost Estimating - Integrated Tools (ACEIT)

10 April 2013

1. CONTRACTING ACTIVITY.

United States Transportation Command, DPO Support Division, USTRANSCOM/TCAQ-D, 508 Scott Drive, Building 1900, Scott AFB, IL 62225.

2. NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED.

Other Than Full and Open Competition is required for the acquisition of Automated Cost Estimating - Integrated Tools (ACEIT) from Tecolote Research, Inc. USTRANSCOM/TCAQ Program Management Office (PMO) requires Distribution, Maintenance, and Support (DMS) for ACEIT software. This requirement will be purchased via a Firm-Fixed Price contract for four (4) one-year periods of performance.

3. DESCRIPTION OF SERVICES REQUIRED TO MEET THE AGENCY'S NEEDS (INCLUDING THE ESTIMATED VALUE).

The PMO develops cost estimates in support of AT21, AMP, COINS, CPA, DPS/TOPS, TRANSVIZ, IGC, JFAST, ELB, SMS, CMS, TRACES, and GOPAX. These estimates are used in support of program affordability, Milestone Decisions, design and budget trades, contract negotiations, contract performance measurement, program management reviews, requirement trades, modifications, and to assist decision makers in properly advocating for requirements during the PPBE process. Development of these estimates requires robust tools to ensure credible, comprehensive, and replicable cost estimates. The Government requires cost estimating tools capable of statistical analysis, knowledge libraries, model building, risk analysis, seamless integration with other software (SEER, MS Project, and MS Excel); automation of learning, time phasing, inflation, reporting, documentation, sensitivity/what-if, and net present value. The estimated value of this acquisition is

4. STATUTORY AUTHORITY PERMITTING OTHER THAN FULL AND OPEN COMPETITION.

10 USC 2304(c)(1) -- Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.

5. DEMONSTRATION THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS REQUIRE USE OF AUTHORITY CITED.

ACEIT is a family of applications that support program managers and cost/financial analysts during all phases of a program's life-cycle. The United States Air Force funded the development of ACEIT and, for over 25 years, has continued to fund improvements to keep ACEIT current with the latest methods, processes, and policies. The Government has Unlimited data rights to ACEIT, and since it is not a commercial product there are no licenses to purchase. However, Tecolote Research Inc, the developer, recoups a fair share of the Distribution, Maintenance and Support (DMS) costs from each ACEIT user as authorized by ACEIT Government Program Office, Air Force Electronic Systems Center (ESC/FMC). Tecolote Research, Inc. is the only source for ACEIT software and DMS; no third party providers have been approved.

Since the AF was involved in the development of ACEIT, it provides features that are beneficial for DoD cost estimating versus commercial cost estimating tools that do not address issues unique to the DoD. The models are applicable to any system acquired by the government, such as: aircraft, engines, armament, avionics, radar, software, simulators, facilities, support equipment, etc. However ACEIT does provide the flexibility for seamless integration with popular commercial products such as PRICE, SEER, MS Project, and MS Excel. ACEIT software also provides multiple tools in one product, but there is no known commercial software currently available to perform all the functions of the ACE-IT software. Therefore, multiple Commercial Off The Shelf (COTS) products would be required to get all of the tools offered in ACEIT. The ACEIT product provides all the tools needed to meet the Government's requirement. Some examples of those tools are: knowledge libraries, risk analysis, automation of learning, time phasing, reporting, and sensitivity/what-if.

6. DESCRIPTION OF EFFORTS MADE TO ENSURE OFFERS ARE SOLICITED FROM AS MANY POTENTIAL SOURCES AS PRACTICABLE, WHETHER A NOTICE WILL BE PUBLICIZED AS REQUIRED BY FAR 5.2, AND IF NOT, THE APPLICABLE EXCEPTION.

Tecolote Research Inc is the developer and sole provider of the ACEIT software therefore no other sources were solicited. Publicizing is not required by FAR 5.201(b)(1) for this action because the cost of this effort, is below thresholds established in FAR 5.101(a).

7. DETERMINATION BY THE CONTRACTING OFFICER THAT THE ANTICIPATED COST TO THE GOVERNMENT WILL BE FAIR AND REASONABLE.

The cost of this product is anticipated to be fair and reasonable as it is a fixed price that is significantly less than the costs of other similar products.

8. DESCRIPTION OF THE MARKET RESEARCH CONDUCTED AND THE RESULTS OR A STATEMENT OF THE REASONS MARKET RESEARCH WAS NOT CONDUCTED.

Market Research was performed to determine the capabilities and costs of other cost estimating products.

ACEIT contains the premier application tools (database, statistical analysis, knowledge libraries, model building, risk analysis, and more) for storing/analyzing cost/technical data, developing cost estimating methods, building cost/cost risk models, sharing, and reporting cost estimates. At the heart of ACE-IT is a framework to build robust cost models where key analysis tasks (learning, time phasing, inflation, risk, reporting, documentation, sensitivity/what if, and net present) are automated. ACE-IT is a government funded application that brings structure and consistency to the cost and cost risk analysis modeling and estimating process.

No other DoD developed products were found and development of a non-commercial product comparable to ACEIT would result in duplication of costs and effort as the Government has providing funding for initial design and continuous development updates for over 25 years. The Government has Unlimited rights to ACEIT and the automated features built-in to ACEIT have been proven and are Government approved. Use of this product allows for maximum flexibility of use at minimal costs.

Commercial cost estimating products would require integration of Department of Defense (DOD) accepted cost methods and cost data for current operations/support of weapon systems to help prioritize decision makers' technology choices to the best value options. Costs of commercial cost estimating software, including maintenance and support, are much more expensive than ACEIT. Customization of commercial products may also be required, which would increase costs further and may be limited as a resulting of licensing.

Accordingly, use of products other than ACEIT would cause the Government to incur duplication costs via development of a new product or cause the Government to purchase a product with less capability/flexibility at a higher price than ACEIT. Based on market research no other companies have been identified to have software that can meet the Government's needs at this time.

9. ANY OTHER FACTS SUPPORTING THE USE OF OTHER THAN FULL AND OPEN COMPETITION.

Purchase descriptions suitable for full and open competition are not available because Tecolote Research, Inc., is the sole provider of the ACEIT software, distribution, maintenance, and support.

10. LISTING OF SOURCES THAT EXPRESSED, IN WRITING, AN INTEREST IN THE ACQUISITION.

None.

11. A STATEMENT OF ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS TO COMPETITION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES REQUIRED.

USTRANSCOM will conduct market research to determine if other companies have been approved to be third party providers of ACEIT. Research will also be performed to ensure ACEIT continues to provide the best value, technically and financially, to meet the needs of the Government.

12. CONTRACTING OFFICER'S CERTIFICATION.

I certify the justification for use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

PAT EDWARD FILER
Contracting Officer

13. TECHNICAL/REQUIREMENTS PERSONNEL CERTIFICATION.

I certify that data supporting recommended use of other than full and open competition is accurate and complete to the best of my knowledge and belief.

PETE GAVORNIK, GM-15, DAFC
Chief, Program Control
TCJ8-PC