

OFFICE OF ACQUISITION MANAGEMENT
Limited-Sources Justification
Orders or BPAs Exceeding the Simplified Acquisition Threshold
Investigative Case Management (ICM) System

J&A-19-0107

This acquisition is conducted under the Multiple-Award Schedule Program, the primary statutory authority for which are 41 U.S.C. 152 (3), Competitive Procedures, and [40 U.S.C. 501](#), Services for Executive Agencies.

1. Agency and Contracting Activity.

Agency: Department of Homeland Security (DHS)/
U.S. Immigration and Customs Enforcement (ICE)

Contracting
Activity: Office of Acquisition Management (OAQ)

Program: Office of the Chief Information Officer (OCIO)/
Solutions Delivery Division (SDD)

DHS/ICE/OAQ on behalf of OCIO/SDD proposes to award a task order per the authority of FAR 8.405-6(a), Limiting Sources.

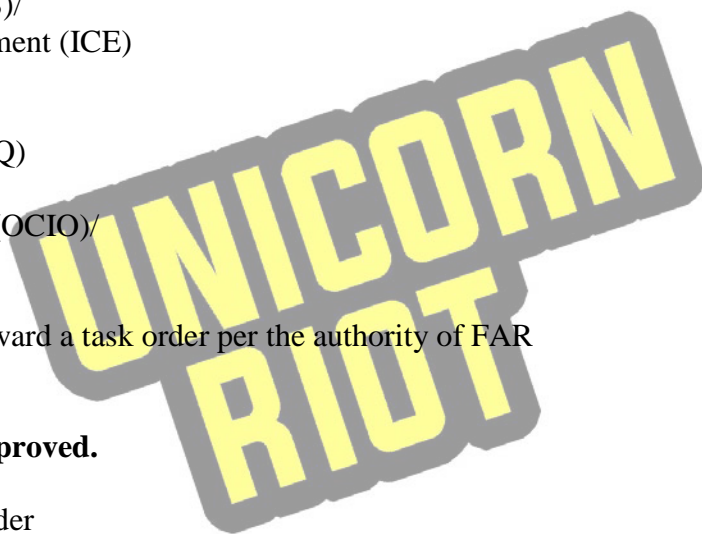
2. Nature and/or description of the action being approved.

- (a) Type of action: Firm-fixed price (FFP) Task Order
- (b) Amount the current LSJ is justifying: \$49,874,018.14
- (c) Brief Description: OAQ intends to award a task order for the ICM requirement on a limited sources basis to the following company:

Palantir Technologies Inc.
100 Hamilton Ave.
Suite 300
Palo Alto, CA 94301-1651
DUNS: 362130952

3. Description of Supplies/Services.

The purpose of this acquisition is to provide continued operations & maintenance, support, and enhancements to the current Investigative Case Management System (ICM). ICM, the primary front end system of the ICE TECS Modernization Program, has been built from a Commercial-Off-the-Shelf (COTS) solution to support case management and subject



management based on ICE/HSI's operational requirements in support of its law enforcement mission. The incumbent contract for the ICM implementation was the result of a competition using FAR Part 15 procedures. Ultimately, an award was made to Palantir Technologies on September 10, 2014 and that order is to expire on September 25, 2019. The ICM system was built on commercial software, Palantir Technologies, Inc.'s Gotham. Services provided under the incumbent contract include: systems engineering, quality and process management, testing, system architecture, data management, performance assessment, modeling and simulation, post-implementation reviews, security management, and systems engineering process support including risk management, continuous process improvement, and configuration management.

In the proposed acquisition, ICE requires system maintenance and support services for applying adaptive, perfective, and corrective maintenance to the Gotham software ICM implementation, as well as operating and maintaining the ICM infrastructure and delivering enhancements to the existing product in current and future releases.

The period of performance of the proposed action is a Base Period of twelve (12) months, followed by two (2) Option Periods of one (1) year each as illustrated below:

Period of Performance

Performance Period	Performance Period Dates	Amount	Optional CLINS (Limited Enhancement Costs)
Base Period	9/26/2019 – 9/25/2020	\$16,210,849.42	\$0
Option Period 1	9/26/2020 – 9/25/2021	\$14,739,218.52	\$2,464,307.14
Option Period 2	9/26/2021 – 9/25/2022	\$14,842,138.91	\$1,617,504.16
Total Value		\$45,792,206.84	
Total Value including all options			\$49,874,018.13

4. Authority and supporting rationale and a demonstration of the proposed contractor's unique qualifications to provide the required supply or service.

Authority:

Select only one of the following circumstances justifying limiting sources pursuant to FAR 8.405-6(a)(1)(i) below and demonstrate the proposed contractor's unique qualifications to provide the required supply or service.

- 8.405-6(a)(1)(i)(A) An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.
- 8.405-6(a)(1)(i)(B) Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized; see also 41 U.S.C. § 3102 et seq.; 40 U.S.C. § 501, Services for executive agencies.

- 8.405-6(a)(1)(i)(C) In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order or BPA must not have been previously issued under sole-source or limited-sources procedures.

As stated above, the ICM system is based on the commercial software, Gotham, which is a proprietary product of Palantir Technologies, that has been configured specifically for HSI's operational needs. The contractor selected for this requirement must be capable of delivering "Gotham Product Maintenance" including any fixes, modifications and enhancements to ICM which require direct access to the Palantir Gotham source code. In addition, the contractor must implement, operate, and maintain the ICM cloud-based infrastructure.

As a result of the market research conducted, the Contracting Officer has confirmed that Palantir, the software developer, is the only firm able to ensure the continued effectiveness of the ICM system, which is critical to HSI's mission. The Government released a Request For Information (RFI) publicized on May 15, 2019 via FedBizOpps.gov, and received four (4) responses, none of which met the agency's requirements. Palantir owns and maintains the source code and information technology necessary to support the ICM system at DHS by providing application fixes and updates. As this technology is proprietary to Palantir, the company does not authorize utilization of the required code by any resellers or cooperative partners. Therefore, Palantir Technologies is the only source, without exception, that is able to fulfill this requirement.

Furthermore, market research indicates that there are no other COTS packages available which include all the functionality required by HSI. The Palantir Gotham platform as customized is able to manage Investigative Cases and all 6 types of subjects (*i.e.*, person, vehicle, vessel, aircraft, business, thing) both independently and as linked entities. The Contracting Officer has determined that there are no other products within the commercial marketplace able to provide these same capabilities.

5. Determination by the ordering activity contracting officer that the anticipated order represents the best value consistent with FAR 8.404(d).

The ICM system reached Full Operating Capability (FOC) in August 2017. The system, now implemented, was customized at a measurable costs to meet the agency's unique needs. The most cost-efficient option for the agency over the next three years is to maintain and benefit from that which we have spent a considerable sum in developing. To remove the current platform from operation shortly after it has reached FOC, would be neither cost-efficient nor in the best interest of the agency. An RFI seeking potential contractors capable of fully providing O&M support to the current ICM solution did not reveal any sources other than Palantir Technologies. However, to ensure that the agency considered all options before deciding upon O&M of the current platform in a limited source environment, the program office conducted a comparative Cost Benefit Analysis (CBA) as part of its market research,

to include a comparison of continuing to maintain the existing platform, transitioning to a new COTS platform, and custom developing a new application.

Having assessed the results of the agency's market research and CBA, the Contracting Officer has determined that moving forward on a limited source basis, and awarding a continuing O&M contract to Palantir is in the best interest of the Government. The Government intends to make this award in accordance with FAR 8.404, "Use of Federal Supply Schedules." GSA has already negotiated fair and reasonable pricing for the required services. The Government will confirm the availability of the quoted services off the Quoter's schedule contract and that the prices are at or below those pre-negotiated prices for the same. The Government will seek price reductions from the Quoter off its schedule pricing per FAR 8.405-4, Price Reductions. The Government will further evaluate the schedule contract holder's quoted labor mix and level of effort relative to the Independent Government Cost Estimate submitted by the program office.

6. A description of the market research conducted among schedule holders and the results, or a statement of the reason market research was not conducted.

ICE has conducted extensive market research in preparation of issuance of an ICM O&M solicitation including reviews of DHS IT Strategic Sourcing Vehicles, GSA Federal Supply Schedules and release of an RFI. The RFI was publicized via FedBizOpps.gov on May 15, 2019. In summary, none of the four responding vendors providing responses demonstrated the needed capabilities in supporting the Gotham platform implemented at ICE.

Market Research of the open market was conducted in an effort to locate vendors capable of supporting our current platform and able to demonstrate experience performing work similar in size, scope, and complexity. This examination found one company able to support the current Gotham product/platform, *i.e.*, Palantir Technologies. While this agency's market research located other companies with similar experience providing investigative case management services, they were unable to provide the fixes, modifications and enhancements to ICE's ICM system due to their inability to access Palantir Gotham source code.

7. Any other facts supporting the limited-sources justification. Additional facts may be stated in this section. If there are no additional facts, you must state that here.

There are no additional facts.

8. A statement of actions, if any, the agency may take to remove or overcome any barriers that led to restricted consideration (*i.e.*, limited-sources) before any subsequent acquisition for the supplies or services is made.

ICE will continue to research opportunities to remove any barriers to competition for this procurement as each proposed option period is reviewed prior to exercising. ICE has limited the period of performance of the proposed task order to 42 months and will continue to monitor the marketplace for available products. ICE has also strategically competed the

portions of the ICE TECS Modernization Program that were available for competition. Specifically, the External Interfaces, and Data Warehousing support were procured separately from the ICM system to maximize competition. The potential exists that Tier 1 Help Desk Support, currently a part of this procurement, could be split out and offered to a broader group of competitors in the future. This function does not require access to Gotham source code and will be evaluated in the future as each option period is considered.

- 9. DHS intends to post this requirement on Fedbizopps pursuant to FAR 8.405-6(a)(2).**



10. Technical/Requirements Personnel Certification.

Pursuant to FAR 8.405-6(c)(2)(x), I certify that this requirement meets the Government's minimum need and that the supporting data, which form a basis for the Limited-Sources Justification, are accurate and complete.

07/22/2019

Walter Wagner
Technical Representative/COR

Date

11. Contracting Officer Certification and/or Approval

Pursuant to FAR 8.405-6(c)(2)(ix), I certify that the Limited-Sources Justification is accurate and complete to the best of my knowledge and belief:

Sean Frey
Contracting Officer

07/22/2019

Date

10. Approval.

Albert Dainton
Head of Contracting Activity

Date

