DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING SYSTEMS COMMAND, MID-ATLANTIC
9324 VIRGINIA AVENUE
NORFOLK, VIRGINIA 23511-3095

Class J&A No. ML-23-80

FACILITIES RELATED CONTROLS SYSTEMS CLASS JUSTIFICATION AND APPROVAL FOR USE OF OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity.

Naval Facilities Engineering Systems Command, Mid-Atlantic (NAVFAC MIDLANT)

2. Description of the Action Being Approved.

This CJ&A authorizes and approves the use of brand name commercial equipment from the following manufacturers (referred to in this document as "Specified Manufacturer and Product Line") for Advanced Metering Infrastructure (AMI) electric meters, front-end interface, and software in contract actions requiring interface with the identified FEC networked facilities control and monitoring system at NAVFAC MIDLANT (referred to in this document as "the FEC") installations.

Manufacturer name:	Product Line:
Schneider Electric	PowerLogic Ion Meters and SCADAPack Smart RTUs (NWS Crane, IN and NS Great Lakes)
EIG	Shark 270 and Shark 250 (all other MIDLANT installations)

Authority to act under this class justification is authorized from August 31, 2023 to August 30, 2026.

3. Description of Supplies/Services.

The use of the Specified Manufacturer and Product Line advanced meters and front-end interfaces in Section 2 will be required for all projects that connect to the identified existing FEC networked FRCS commonly referred to as the MIDLANT AMI Network.

The AMI system provides centralized monitoring of facility energy consumption for facilities at multiple installations equipped with advanced energy meters. The meters are connected to a private network through fiber optic cable, copper wiring or a radio frequency mesh with Schneider Electric (Schneider) Power Monitor Expert or Electro Industries/GaugeTech (EIG) CommunicatorPQA software residing on separate front-end servers. Data from the AMI front-end servers are available to multiple users through the CSPE.

The network described above is referred to herein as the MIDLANT AMI Network. The Specified Manufacturer and Product Line meters will be configured and programmed using

Government-licensed software from the respective Specified Manufacturers. This requirement does not restrict who can install, commission, test, maintain, or operate the meters, and there are several known sources who can provide such services.

The total estimated value for the use of Specified Manufacturers and Product Lines brand name equipment through August 31, 2026 is [redacted] based on the estimated number of projects expected to utilize this equipment. A non-exhaustive listing of the projected projects that will utilize this equipment is provided in Appendix A. All AMI advanced electric meters are authorized under this CJ&A regardless of method of execution or procurement strategy (i.e., contracted, in-house shop forces, base operating support contracts, or materials supply chain contractor).

Estimated Dollar Value of Brand Name Equipment ($K)

	FY23 – FY26
MILCON	[redacted]
Special Projects	[redacted]
TOTAL	[redacted]

4. Statutory Authority Permitting Other Than Full and Open Competition.

The statutory authority permitting other than full and open competition is Title 10, U.S.C. § 3204(a)(1), as implemented by the Federal Acquisition Regulation (FAR) 6.302-1, "Only one responsible source and no other supplies or services will satisfy agency requirements."

5. Rationale Justifying Use of Cited Statutory Authority.

The FEC has a reasonable need for standardization and interoperability of its existing advanced energy metering systems that will require a connection to the identified FEC AMI Network. Applicable United States Government Accountability Office (GAO) Comptroller General decisions have acknowledged the authority of a federal agency to use other than competitive procedures when there is a reasonable need for standardization or interoperability with existing agency equipment or software. GAO has concluded that the Government may use other than competitive procedures when there is a reasonable need for standardization or interoperability with existing equipment or software, and when it is likely that award to other sources would result in, among other things, substantial duplication of cost to the Government that is not expected to be recovered through competition.

To assess the need for standardization and interoperability, a rigorous business case analysis (BCA) was performed on the existing inventory of advanced metering systems connected to the AMI Network. This BCA evaluated the standardization of advanced energy meters and quantified the annual costs associated with procurement, sustainment of operation and maintenance, and establishment and sustainment of Department of the Navy cybersecurity requirements. The results of this BCA demonstrate that in order to minimize costs and potential

cyber vulnerabilities, the use of the indicated Specified Manufacturer and Product Line will be required for all projects that require a connection to the AMI Network.

Additionally, in support of future Smart Grid program(s), all new control systems, unless identified by exception, shall be required to connect to the AMI Network. The AMI Network is part of the Navy Utility Monitoring and Control System (NUMCS), which resides in the Control System Platform Enclave (CSPE). The CSPE provides cybersecurity services to NUMCS, other FRCS and hosts the Smart Grid application suite.

The FEC requires that advanced energy meters be the Specified Manufacturer and Product Line in order to meet its need for, and achieve the benefits of, standardization and interoperability as follows:

a. Establish and maintain a defensible cybersecurity posture. The rapid emergence of cyber incidents on critical Industrial Control Systems (ICS), which include FRCS, with the potential to debilitate our installation mission critical assets has catalyzed the need to establish a defensive cybersecurity posture across the shore enterprise. A Risk Management Framework (RMF) Authority to Operate (ATO) is required per DoD Instruction 8510.01. The AMI Network is currently authorized through the RMF process as performed by NAVFACSYSCOM. The indicated manufacturer's programmable meters and their associated application software will be authorized per the ATO and provide for the following:

(1) Cost-effectively reduce Government information technology cybersecurity risks. Avoid the significant costs and delays associated with obtaining a new ATO for the AMI Network which, due to Government information technology cybersecurity risks, is required when additional nonconforming hardware or software is added to the system with resultant changes in the security posture of the system. The process of obtaining a new ATO would unacceptably delay the operational use of advanced energy meters for the affected facility and connection of the facility to the AMI Network, resulting in a significant degradation in accomplishment of mission. Similarly, if additional non-conforming equipment and software were added to the AMI Network the associated cybersecurity costs to sustain the inventory of equipment and software and to maintain the ATO would significantly increase. Additionally, minimizing the different types of equipment and software permitted on the AMI Network avoids incurring additional risks to system operational availability should the NAVFAC Functional Authorizing Official (FAO) determine that the additional equipment or software has security vulnerabilities precluding obtaining or maintaining an ATO.

(2) Control Systems (such as networked FRCSs) are classified as Platform Information Technology (PIT) systems. DoD Instruction 8500.01 requires that all PIT systems have their cybersecurity controls documented and validated prior to operation and/or deployment. All PIT systems on Navy networks must obtain an ATO from the FAO. Additionally, connection or integration into the CSPE and subsequently Smart Grid requires that the FRCS obtain an ATO from the NAVFACSYSCOM FAO.

ATOs remain valid for three years as long as the cybersecurity posture of the system does not change. A cybersecurity posture change includes, but is not limited to, system architecture changes or any other changes that increase risk or degrade the security posture. Any cybersecurity posture change must be provided to the Navy Validation Group that approved/authorized the ATO for impact review on that risk approval. When a cybersecurity posture changes, the PIT system normally will be required to complete the authorization process again to obtain a new ATO for the new configuration. The use of different brand programmable meters or associated configuration or programming software on the AMI Network results in an undesirable, higher number of changes to the cybersecurity posture of the system. Obtaining an ATO is not the end of the process; maintaining an ATO is also very resource intensive and the effort increases exponentially when additional hardware or software is added to the system (that is, requires maintaining cybersecurity controls, vulnerability management, system scans/tests, and similar).

b. Maximize utilization of existing government-licensed software from the existing manufacturers to configure and program the meters. Other contractors do not offer meters that can be configured/programmed with the Specified Manufacturer and Product Line's software.

c. Maintain the advanced energy meter data management system so that data from all meters may be presented on a common platform. This will further operational efficiency and decrease installation, maintenance, repair, and energy costs. Using advanced energy meters from the same vendor that produced the data management software eliminates multi-vendor disputes regarding conflicts, standards, protocols, or performance characteristics should the data management system not function as required.

d. Avoid the significant operational burden and cost of having maintenance and engineering staff become proficient with the configuration, programming, commissioning, operation, and maintenance of meters from different manufacturers. Standardization reduces personnel training costs and decreases procurement costs related to additional equipment, maintenance, and support contracts for another manufacturer's hardware and software, as well as the maintenance of an additional parts inventory. Maintaining multiple solutions is inefficient and creates unnecessary work and overhead that increases the total costs of ownership and manpower costs.

The FEC's technical personnel who performed this BCA have determined that for the FEC, the contract actions authorized by this CJ&A will avoid substantial duplication of cost that is not expected to be recovered through competition. Assuming other brand name meters could be integrated into the Installation's AMI Network so as to be fully functional, the significant cyber security risks, operational challenges, added costs (including the costs to re-procure the Installation's existing inventory), and other disadvantages arising from the use of different brands of meters outlined above are not expected to be recovered through competition.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

Per FAR 5.201, a Sources Sought announcement was synopsized on the sam.gov website on July 10, 2023 to determine if there are other controllers capable of fully functional interface with the existing manufacturer's Government licensed software. The Sources Sought Notice closed on July 21, 2023. There were no responses received. By receiving no responses from competing vendors, it indicates that there may not be any substitute or equivalent products that would fulfill the requirement.

7. Determination of Fair and Reasonable Cost.

The Contracting Officer has determined the anticipated cost to the Government of the supplies/services covered by this CJ&A will be fair and reasonable. The cost associated with a partial or complete system replacement is not practicable or cost effective.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Paragraph 5, NAVFAC MIDLANT does not intend to compete future contracts for the types of supplies/services covered by this document. NAVFAC MIDLANT will continue to monitor the electrical power metering industry to determine if a universal meter configuration becomes available and if other potential sources emerge, NAVFAC MIDLANT will continually assess whether competition for future requirements is feasible.

CERTIFICATIONS AND APPROVAL

TECHNICAL/REQUIREMENTS CERTIFICATION

I certify that the facts and representations under my cognizance, which are included in this justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate to the best of my knowledge and belief.

[redacted]

LEGAL SUFFICIENCY REVIEW

I have determined this justification is legally sufficient.

[redacted]

CONTRACTING OFFICER CERTIFICATION

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

[redacted]

CHIEF OF THE CONTRACTING OFFICE CERTIFICATION

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

[redacted]

APPROVING OFFICIAL (NPGI 6.304)

Upon the basis of the above justification, I hereby approve the CJ&A for proposed contract actions described herein using other than full and open competition, pursuant to the authority of 10 U.S.C. § 3204(a)(1).

[redacted]

Appendix A

The following is a list of projects using the Specified Manufacturers and Product Lines advanced electric meters and the estimated cost of the proprietary components of those meters for the duration of this CJ&A.

PROJECT NO.	DESCRIPTION	PROGRAM YEAR	FUNDING TYPE	AMI METER COST (000)	MILCON (Y/N)
N/A	Unprogrammed AMI replacements	Annual	O&M	[redacted]	No
N/A	Unspecified Programmed Project 1	FY23	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 2	FY23	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 3	FY23	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 4	FY23	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 5	FY23	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 6	FY23	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 7	FY24	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 8	FY24	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 9	FY24	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 10	FY24	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 11	FY24	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 12	FY24	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 13	FY25	MILCON	[redacted]	Yes
N/A	Unprogrammed AMI replacements	Annual	O&M	[redacted]	No
N/A	Unspecified Programmed Project 14	FY25	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 15	FY25	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 16	FY25	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 17	FY25	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 18	FY25	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 19	FY26	MILCON	[redacted]	Yes

N/A	Unprogrammed AMI replacements	Annual	O&M	[redacted]	No
N/A	Unspecified Programmed Project 20	FY26	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 21	FY26	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 22	FY26	Special Project	[redacted]	No
N/A	Unspecified Programmed Project 23	FY26	MILCON	[redacted]	Yes
N/A	Unspecified Programmed Project 24	FY26	Special Project	[redacted]	No