ANNEX 1 – JUSTIFICATION AND APPROVAL

J&A No. 026082 Rev. A

JUSTIFICATION AND APPROVAL
FOR EXCEPTION TO FAIR OPPORUTNITY

1. Contracting Activity.

The Naval Sea Systems Command, Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility (PHNSY & IMF) Contracts Division C400.

2. Description of the Action Being Approved.

A sole source acquisition is being sought for proprietary professional development supplies and services to be provided to PHNSY&IMF by the Arbinger Institute. This will be a sole source task order against the General Services Administration (GSA) Human Capital and Training Solutions (HCaTS) schedule.

3. Description of Supplies/Services.

Award a Firm Fixed Price Task Order for a base and one 6-month optional period on a sole source basis for Outward Mindset training services in support of PHNSY & IMF professional development program from General Services Administration (GSA) Human Capital and Training Solutions (HCaTS) Small Business- Pool 1 Indefinite Delivery Indefinite Quantity (IDIQ) contract 47QREB19D0011.

Period of Performance:

Base Period	8 JUN 26 – 7 JUN 27
6-MONTH OPTION PERIOD	8 JUN 27 – 7 DEC 27

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Source: Arbinger Company
1379 N 1075 W Ste 100
Farmington, UT 84025-2711

This effort supports use and application of Arbinger's proprietary training content, tools, and course deliverables across leadership and workforce levels to strengthen execution and operational performance.

The requirement includes:

- On-site Strategic Working Sessions supporting senior leader strategic alignment, execution, and cross-functional coordination

- Implementation Series sessions for designated leaders to reinforce application of outward mindset principles within operational environments and strengthen leadership execution through continued training
- On-site Outward Application Sessions training for intact teams to address real-time operational challenges and improve coordination and accountability across teams
- On-site Observation and Feedback sessions conducted by Arbinger Master Facilitators to evaluate training effectiveness and strengthen application practices across leadership and workforce levels
- Arbinger-developed training materials, including Developing and Implementing an Outward Mindset (DIOM) participant materials and Outward Leadership (OL) participant materials and other product updates as they become available (including shipping)

Arbinger's outward mindset training reinforces leadership execution and operational alignment across the workforce, enabling consistent application within daily shipyard operations and supporting improved coordination, faster resolution of operational challenges, and sustained mission performance.

Estimated Dollar Value:
Base Year $543,777.07
6-Month Option Period $377,659.21
Contract total $908,486.95

The Government's minimum needs have been verified by the certifying technical and requirements personnel.

4. Statutory Authority Permitting Exception to Fair Opportunity.

10 U.S.C. 3406(C)(2) the task order or delivery order should be issued on a sole-source basis as only one such contractor is capable of providing the services or property required at the level of quality required because the services or property ordered are unique or highly specialized.

5. Rationale Justifying Use of Cited Statutory Authority.

IAW RFO 16.507-6(b)(2), "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized."

PHNSY&IMF requires issuance of this order on a sole-source basis, as only the Arbinger Institute, LLC is capable of providing the proprietary materials and required Outward Mindset® training and strategic working sessions..

The Government requires this unique, standardized instructor-led training, certified facilitation services, and associated proprietary course materials to support continued execution of the enterprise-wide Outward Mindset® training capability currently deployed at PHNSY&IMF. This requirement includes delivery of the Arbinger Institute's Outward Mindset® training system, a proprietary, vendor-controlled program exclusively owned, licensed, and distributed by the Arbinger Institute for which no third-party providers are authorized and for which the Government does not possess rights to reproduce, modify, or independently deliver outside of Arbinger-issued licensing and certification.

This requirement ensures continuity of certified instructors, use of vendor-controlled materials, and adherence to established delivery protocols currently in use across the workforce. Alternative vendors cannot meet these requirements, as they lack access to the proprietary curriculum, cannot certify instructors within the existing system, and cannot provide services compatible with the current training framework without necessitating full system replacement. Such replacement would result in substantial duplication of prior investment, loss of certified internal capability, and operational delays due to retraining and transition.
PHNSY&IMF does not possess the rights, materials, or authority to independently deliver this training, nor can any other vendor legally or technically provide instruction using Outward Mindset® tools, materials, or methods. Only Arbinger Institute can deliver training that is fully compatible with the existing system, maintains certification integrity, and aligns with the established delivery protocols already in use across the workforce.

Awarding to any other source would require replacement of the existing training system, duplication of prior investment, loss of certified internal capability, and operational delays associated with transition and retraining. Therefore, due to the unique nature of these services, Arbinger Institute is the only source capable of meeting the Government's requirement at the required level of quality.

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

Market research conducted in April 2026 indicated that while general behavior-change training, addressing workplace relationships, culture shift, collaboration and accountability, is commercially available, but the Outward Mindset training services that have already been implemented throughout PHNSY &IMF can only be performed by the Arbinger Institute.

A review of the HCATS Small Business Pool 1 identified 32 IDIQ contracts for professional and management development training services, including the Arbinger Institute's IDIQ contract. Although several awardees in this pool offer training within this category, the Arbinger Institute is

the only contractor authorized to conduct training, implementation, application, observation and feedback, and strategic working sessions using Outward Mindset® materials..

Additional market research, including searches on SAM.gov and general web searches, also identified the Arbinger Institute, along with a few other vendors offering leadership training. However, although some vendors offer programs with themes similar to Outward Mindset, none are authorized to deliver Arbinger Institute's proprietary tools, materials, training methods, or curriculum.

While PHNSY&IMF remains fully sustained for the mission areas covered under the previous contract, PHNSY&IMF has since expanded its operational responsibilities. This expansion created a new requirement to train additional user groups that were not included in the original sustainment baseline. Accordingly, this requirement represents a new need for contractor-provided training services. It is distinct from the prior effort, which addressed a different population and mission scope, and therefore does not constitute a follow-on requirement.

The Arbinger Institute maintains exclusive ownership of all associated intellectual property, making it the sole provider capable of delivering training and strategic working sessions using Outward Mindset® materials .

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 J&A will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Paragraph 5, PHNSY & IMF has no plans at this time to compete future contracts for the types of services covered by this document. PHNSY & IMF will assess whether competition for future requirements is feasible should another potential source(s) emerge.

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.

Technical/Requirements Cognizance:

(b) (6) [redacted] Digitally signed by (b) (6) [redacted] Date: 2026.05.15 08:10:03 -10'00' (b) (6) [redacted] 15 May 2026

Signature (b) (6) [redacted] Phone No. Date

LEGAL SUFFICIENCY REVIEW

I have determined this Justification is legally sufficient.

(b) (6) [redacted] Digitally signed by (b) (6) [redacted] Date: 2026.05.18 08:23:15 -10'00'

Signature Tami Yamada Phone No. Date

CONTRACTING OFFICER CERTIFICATION

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

(b) (6) [redacted] Digitally signed by (b) (6) [redacted] 08:26:22 -10'00'

S (b) (6) [redacted] Phone No. Date

Upon the basis of the above justification, I hereby approve, as Vivian Fukumitsu, the solicitation of the proposed procurement(s) described herein using an exception to fair opportunity, pursuant to the authority of 10 U.S.C. 3406(C)(2).

FUKUMITSU.VIVIAN.S.(b) (6) [redacted] Digitally signed by FUKUMITSU.VIVIAN.S(b) (6) [redacted] Date: 2026.05.18 19:08:15 -10'00' May 18, 2026

Vivian Fukumitsu, CCO Date