HSAM 3008.401-71(a)
Sole-Source Justification (SSJ) pursuant to Revolutionary Federal Acquisition Regulation Overhaul (RFO) 8.4 For orders or BPAs exceeding the Simplified Acquisition Threshold

SSJ No.: FY26-0030

This acquisition is conducted under the authority of the Multiple-Award Schedule Program, 41 U.S.C. § 152(3), Competitive Procedures, and 40 U.S.C. § 501, Services for Executive Agencies, in accordance with Federal Acquisition Regulation (FAR) 8.4, FAR Class Deviation 25-20 for FAR Part 8[1], and General Services Administration Acquisition Regulations (GSAR) 538.7104-3, "Sole Source Justifications.[2]"

1. Agency and Contracting Activity.

   The Department of Homeland Security (DHS), Office of Procurement Operations (OPO), Information Technology Acquisition Center (ITAC).

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

   DHS/OPO proposes to award a sole source BPA for products and services associated with the continued upgrade, maintenance, and purchase of proprietary geospatial software, including related training to Environmental Systems Research Institute, Inc. (ESRI), 380 New York Street, Redlands, CA 92373-8100.

3. Description of Supplies/Services.

   The proposed BPA is a follow-on procurement for enterprise software, support services, and products from the current ESRI Catalog GS-35F-253CA. The current Enterprise License Agreement (ELA) is under BPA #70RTAC21A00000010. It includes Enterprise maintenance for parts of the existing ESRI software, technical support, as well as training for critical DHS systems built on the ESRI platform. These systems depend on proprietary ESRI web services and content.

   The BPA also addresses surge requirements to support Homeland Security emergencies or major national incidents, which may require temporary ESRI software licenses. This procurement will support over 5,000 ESRI software installations across DHS. The total estimated value of the BPA is $54.5 million, inclusive of a base year cost of $10.9 million and four optional years as follows:

[1]FAR Class Deviation 25-20 for FAR Part 8 was issued as part of the Revolutionary FAR Overhaul (RFO), which was implemented in response to Executive Order 14275, Restoring Common Sense to Federal Procurement, signed April 15, 2025. Any subsequent citations to FAR Part 8 in this document will be cited as "RFO FAR" for brevity and are referring specifically to FAR Class Deviation 25-20 for FAR Part 8.
[2] GSA Class Deviation RFO 2025-FSS-GSAR-538: General Services Administration Acquisition Regulation (GSAR) Class Deviation, Federal Supply Schedule (FSS) Program Ordering Procedures.

Period	Unit Price	Total
Base Year	$10,885,798.44	$10,885,798.44
Option Year 1	$10,886,808.65	$10,886,808.65
Option Year 2	$10,888,908.89	$10,888,908.89
Option Year 3	$10,890,476.17	$10,890,476.17
Option Year 4	$10,888,316.20	$10,888,316.20
TOTAL	$54,440,308.34	$54,440,308.34

The original DHS BPA for ESRI software awarded in 2006, provided an Enterprise License Agreement (ELA) to improve the Geospatial Information Software (GIS), software management and distribution across the Department. Usage data shows that while demand for ESRI desktop software has stabilized, the need for online web-based tools continues to grow.

4. Authority and supporting rationale.

   This acquisition is being conducted under the authority of the Multiple-Award Schedule Program, as outlined in 41 U.S.C. § 152(3), Competitive Procedures, and 40 U.S.C. § 501, Services for Executive Agencies, in accordance with RFO FAR 8.401(b) and GSAR 538.7104-3(b)(1)(ii). Only one source is capable of providing the products, services, or solution required at the level of quality required because the products, services, or solutions are unique or highly specialized.

   DHS requires geospatial software, tools, training, and technology support (hereto known as geospatial capabilities). DHS utilizes geospatial capabilities to support its broad mission space to include (but not limited to): producing maps of natural hazards, floodplains; assessing critical infrastructure risk and vulnerabilities; tracking and monitoring law enforcement operations; supporting reconnaissance missions; conducting urban search and rescue operations to recover survivors affected by disasters; planning security operations for special events; and facilitating vessel and cargo tracking and inspection. DHS has invested and employed various geospatial capabilities across all operational components. In some instances, these investments are considered Minor Acquisitions with a lifecycle cost estimate of $50 Million and over. Commercial vendors indicated they could manage enterprise licenses but could not resell ESRI products, as ESRI does not allow reselling of their software. Others, identified as silver or gold ESRI partners, offered designed solutions built on/for ESRI products, but do not offer the ESRI proprietary software products/licenses required. DHS IT framework was built with ESRI software. ESRI is the only vendor capable of meeting the government requirements.

   The sole-source procurement is necessary for the following reasons:

   1. Unique Capabilities of ESRI Software: ESRI is the only vendor that meets DHS's core geoprocessing, analytics, and interoperability needs while supporting DHS-approved technology, information exchange standards, and Section 508 Accessibility requirements.

2. Specialized Features and Functions: Market research confirms that ESRI is the only geospatial software vendor that provides the following critical features and functions:
    - Data fusion and visualization, including temporal data.
    - Geocoding and geolocation of data.
    - Spatial, attribute, and proximity analysis, including geo-fencing, slope calculation, and buffer spatial features.
    - Line of Sight (LoS) analysis for applications such as counter-sniper operations and antenna/tower placement.
    - Fleet and asset routing and scheduling.
    - Service area and drive time analysis.
    - Network traceability.
    - Geostatistical analysis, including spatial statistics, risk assessment, and dynamic linking of data, graphs, and maps.
    - Workflow optimization for data and cartographic production, including edit controls and versioning.
    - Consequence assessment modeling for man-made and natural disasters, such as landslide probability and debris calculation.
    - Interoperability with DHS-approved enterprise geospatial tools (e.g., Bing Maps) and deprecated tools (e.g., Google Earth).
    - Compatibility with external geospatial systems (federal, state, local, and tribal) using standardized information exchange protocols.
3. Comprehensive Software Maintenance:
    - Maintenance as a Product: Includes bug fixes, patches, updates, and upgrades to maintain operability and usability. Also provides free resources such as user blogs, discussion forums, FAQs, and limited technical support via phone, email, or web.
    - Maintenance as a Service: Includes customized solutions, technical expertise, and person-to-person support, which are commercially available for a fee.
4. Training Services: ESRI provides training courses to help DHS users maximize the efficiency of its software. Training options include web-based courses, on-site training at DHS locations, and vendor-hosted training sessions.

The establishment of this Blanket Purchase Agreement (BPA) is based on the following key factors:

1. Exclusive Access to Technical Support and Updates: ESRI does not allow the resale of its technical support or software updates/upgrades through other vendors. .
2. No Market Alternatives: There are no market alternatives that provide the unique functionality of ESRI's advanced geo-analytics and server-side processing capabilities.
3. Existing Integration and Install Base: DHS components have been using ESRI software for over 20 years, resulting in a substantial install base. A major change to the geospatial technology stack would have negative budget impacts. It would require replacing existing equipment, retraining technical and operational staff, and would disrupt thousands of users and many mission-critical systems that operate around the clock.

ESRI's Sole-Source Products – proprietary

ESRI is the sole provider of the following products in the commercial, state, and local government marketplace:

- ArcGIS Pro & Extensions
- Subscription (Basic, Advanced, Standard)
- ArcGIS for Aviation Bundle
- ArcGIS for Maritime Bundle
- ArcGIS Enterprise
- ArcGIS Online (excluding third-party-owned data)
- ArcGIS Runtime and Extensions
- Proprietary training courses
- ESRI Business Analyst Online
- ESRI Business Analyst Server
- ESRI Community Analyst
- ESRI Defense Mapping Bundle
- ESRI Developer Network (EDN)
- ESRI MapStudio
- ESRI Maps Products
- ESRI Roads and Highways
- ESRI Services Packages
- Portal & Hosted Portal for ArcGIS

Mission-Critical Systems Impacted

Without continued maintenance of the ESRI software install base, the following DHS mission-critical systems would be adversely affected:

- Customs and Border Protection (CBP): Enterprise GIS program and Geospatial Service Center.
- Cybersecurity and Infrastructure Security Agency (CISA): National Critical Infrastructure and Cyber Communications (NCICC) Common

Operating Picture and National Infrastructure Coordination Center (NICC) WebEOC.

- DHS Operations and Coordination (OPS): National Operations Center Common Operating Picture (DHS COP).
- FEMA: HAZUS Multi-Hazard (HAZUS MH) program and FEMA Map Service Center supporting the National Flood Insurance Program (NFIP).
- Transportation Security Administration (TSA): Operations Center WebEOC and AWARE solutions.
- U.S. Coast Guard (USCG): Automated Identification System (Rescue 21), Integrated Operations Center WatchKeeper, and Search and Rescue Operations System (SAROPS).

Based on these factors, the Government has determined that no other vendor can meet DHS's core geospatial analysis and server-side processing requirements. ESRI is the only vendor capable of providing the unique and highly specialized products and services required to maintain DHS's operational needs.

5. Determination by the ordering activity contracting officer that the order represents a fair and reasonable price consistent with GSAR 538.7102-2(d)(2) and 538.7104-2(a)(3).
The Contracting Officer has determined that awarding the proposed BPA to ESRI for upgrade, maintenance, purchase, and training of ESRI software offers the best value to the Government. This approach ensures the lowest overall cost by considering both price and administrative expenses while meeting the Government's needs. In addition, discounts will be requested from the vendor's published GSA schedule to further optimize costs.

   Also, before issuing task orders under the BPA, the ordering activity will:
   1. Evaluate the level of effort and labor mix proposed by the contractor for the specific task.
   2. Ensure the total price is reasonable by comparing the contractor's proposal to the Independent Government Cost Estimate (IGCE).

   This process ensures that the Government receives high-quality services and products at a fair and reasonable price while maintaining fiscal responsibility.

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.

   The Government's market research has confirmed that ESRI is the only vendor capable of meeting the Department's requirements for geospatial software, technical support, and software maintenance. The findings are based on the following key factors:

   Ownership and Exclusivity of ESRI Products:
   - ESRI retains ownership rights to its technical support and software updates/upgrades. Documentation provided by ESRI confirms that it is the sole owner and manufacturer

of the required software and the only provider of the necessary software maintenance, which includes technical support and updates/upgrades.
- Seven vendors indicated they could manage enterprise licenses but could not resell ESRI products, as ESRI does not permit reselling.

Market Leadership and Unique Capabilities:
- ESRI is the market leader in geospatial software, offering a comprehensive suite of tools, including desktop, server-side, and online, web-based solutions.
- Limited competition exists in the geospatial software market for advanced analytics, engineering, and cartographic needs. Other providers do not offer the full range of capabilities required by the Government.

Impact of Competition Limitations:
- Geospatial software providers, including ESRI, prohibit third-party vendors from offering certain types of support, such as technical assistance and updates.
- Many mission-critical programs within DHS rely on the ESRI server-side environment.
- Transitioning to a competing technology stack would pose significant technical and cost risks, potentially disrupting these programs.

Without this procurement, DHS would face substantial risks, including:
- Loss of access to critical software updates, patches, and technical support.
- Inability to address and prioritize break-fix issues.
- Lack of training to stay current with new features and capabilities.
- Reduced surge capacity to deploy temporary licenses during national emergencies.

Market Research Activities:

- The Government conducted extensive market research, including periodic meetings of Subject Matter Experts (SMEs) across DHS as part of the technology governance functions of the GMO (Geospatial Management Office). SMEs provided briefings on the capabilities of various geospatial tools for awareness and evaluation.
- An RFI Utilizing GSA Market Research as a Service (RFI - # RFQ1775899) was issued, and twenty-two vendor responses were reviewed. Only ESRI met the full requirements for a comprehensive geospatial software suite, including desktop, server-side, and online, web-based tools.
- Seven vendors indicated they could manage enterprise licenses but could not resell ESRI products, as ESRI does not permit reselling.
- Two vendors, identified as silver or gold ESRI partners, offered designed solutions built on/for ESRI products, but do not offer the ESRI software products/licenses required.
- Many other vendors primarily provided geospatial services and training rather than the required software products.

Based on the findings, the Government has determined that ESRI is the only source capable of meeting DHS's geospatial software and service requirements. ESRI's unique capabilities, market leadership, and exclusive rights to its products and support make it the sole vendor able to fulfill the Department's needs without introducing significant technical and cost risks Approving this procurement is essential to maintaining DHS's mission-critical systems and ensuring operational continuity.

7. Any other facts supporting the sole-sources justification.
The ESRI software has been approved through the Department's information technology (IT) review process and is fully compliant with the DHS Technical Reference Model (TRM) and other government IT standards, including Section 508 accessibility requirements for individuals with special needs.

   This compliance ensures the following:

   - **Compatibility**: The software integrates seamlessly with existing DHS IT systems and investments.
   - **Interoperability**: It aligns with the Department's geospatial technology vision, enabling efficient communication and data exchange across systems.
   - **Alignment with Standards**: Adherence to government IT standards ensures the software supports DHS's mission-critical operations while meeting accessibility and technical requirements.

   By meeting these criteria, ESRI software continues to serve as a reliable and integral component of the Department's geospatial technology infrastructure.

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

   The Government will continue to monitor the marketplace and take the necessary steps to foster competition and innovation in geospatial visualization by establishing enterprise licenses with commercial firms offering complementary and competing technologies. For example, Currently, while some geospatial map content requirements can be partially met using commercial off-the-shelf (COTS) software like Bing Maps, all other requirements can only be fulfilled by ESRI software.

   To ensure ongoing value and alignment with the Department's needs, the following measures will be taken throughout the duration of this BPA:

   Annual Review: DHS will annually review the BPA to confirm:

   - The schedule contract upon which the BPA is based remains in effect.
   - The BPA continues to represent the best value for the Government.
   - Estimated quantities or amounts have not been exceeded, and whether additional price reductions can be negotiated.

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Commitment to Competition: The Government remains committed to fostering competition by:

- Refining technical specifications to ensure they are as inclusive and non-restrictive as possible.
- Periodically reviewing the marketplace to determine if other vendors can meet DHS's technical requirements.

These efforts demonstrate the Government's dedication to balancing operational needs with promoting competition and innovation in the geospatial technology marketplace.

9. DHS intends to post this sole source requirement at the Government-wide Point of Entry (GPE) pursuant to RFO FAR 8.401(b), GSAM 538.7104-3(b)(3)(ii)(A).

10. Technical/Requirements Personnel Certification.
In accordance with GSAR 538.7104, I certify that this requirement meets the Government's minimum need and that the supporting data, which form a basis for the Sole Source Justification, are accurate and complete.

[redacted]

Technical Representative/COR

11. Contracting Officer Certification
In accordance with GSAR 538.7104 and HSAM 3008.401-71(b)(1), I certify that the Sole Source Justification is accurate and complete to the best of my knowledge and belief:

[redacted]

Contracting Officer

13. Approval.
In accordance with HSAM 3008.401-71(b)(3), this sole source justification is approved by the Head of the Contracting Activity.

[redacted]

Head of Contracting Activity or Designee