HSAM 3008.401-71(d)
Sole-Sources Justification (SSJ) pursuant to Revolutionary Federal Acquisition Regulation Overhaul (RFO) 8.401(b)
For orders or BPAs exceeding the Simplified Acquisition Threshold

SSJ No.: FY26-FY26-0082

This acquisition is conducted in accordance with the Multiple-Award Schedule Program, 41 U.S.C. 152(3), Competitive Procedures, 40 U.S.C. 501, Services for Executive Agencies, and in accordance with Federal Acquisition Regulation (FAR) 8.401, FAR Class Deviation 25-20 for FAR Part 8[1], and General Services Acquisition Regulation (GSAR) 538.7104-3b(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 and GSAR 538.7104-4(b)(1) Item peculiar to one manufacturer can be a particular brand name, product, or a feature of a product, peculiar to one manufacturer.[2]"

1. Agency and Contracting Activity.

   The Department of Homeland Security (DHS), Office of Procurement Operations (OPO), Information Technology Acquisition Center (ITAC) proposes to award an order to Carahsoft Technology Corp for the procurement of Dynatrace software.

2. Nature and/or description of the action being approved.
   DHS OPO intends to procure Dynatrace software through General Services Administration (GSA) Federal Supply Schedule (FSS) contract number 47QSWA18D008F with Carahsoft. Carahsoft is the sole distributor of Dynatrace for the public sector.

3. Description of Supplies/Services.

   DHS has a requirement to renew and purchase additional Dynatrace licenses and support services for the DHS Enterprise. Dynatrace is an advanced application performance monitoring (APM) platform that delivers real-time visibility into the performance, availability, and reliability of mission-critical applications and infrastructure. The software enables automated monitoring, root cause analysis, and reporting for applications hosted on-premises, in the cloud, or in hybrid environments.

   DHS requires support for a period of 12 months with an estimated cost of [redacted]

4. Authority and supporting rationale.

   In accordance with RFO FAR 8.401, and GSAR 538.7104-4(a), Items peculiar to one manufacturer. Dynatrace license features are essential to DHS' requirement and market research

[1] FAR Class Deviation 25-20, for FAR Part 8 was issued as part of the evolutionary 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] Class Deviation RFO-2025-FSS-GSAR-538: General Services Administration Acquisition Regulation (GSAR) Class Deviation, Federal Supply Schedule (FSS) Program Ordering Procedures

indicates other companies' similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet, the need. Dynatrace must be specified as the brand name because it is the only software that provides Advanced Performance Monitoring (APM) required by specific DHS Enterprise Cloud customers. The systems leveraging Dynatrace include Financial Systems Modernization Solution (FSMS) (10,000 internal users), Homeland Security Information Network (HSIN) (55,000 registered internal and external users), Geospatial Information Infrastructure (GII) (5,000 internal and external users), and Identity Services (over 300,000 federal and contractor users). Dynatrace delivers significant value to DHS by providing comprehensive, real-time visibility into the performance of mission-critical applications. Its features include deep, end-to-end visibility into application health, user transactions, and business processes and provides code-level diagnostics, real user monitoring, and automated root cause analysis. While some DHS Enterprise Cloud customers have migrated to [redacted] as a comparable alternative, the APM capability offered by Dynatrace remains essential for FSMS, HSIN, GII, and Identity Services systems. This specific feature is not fully matched by alternative solutions, making Dynatrace a necessary requirement for these systems. Specifically, Dynatrace is distinguished by its automated root cause analysis, full-stack monitoring, and AI- driven insights, which may not be fully matched by alternatives. APM is essential to DHS because it ensures the reliability, security, and optimal performance of mission-critical applications, enabling rapid detection and resolution of issues to support uninterrupted operations and a positive user experience. Dynatrace is the only software that provides advanced APM capabilities required of FSMS, HSIN, GII, and Identity Services) and has an Authority to Operate (ATO) at DHS Headquarters (HQ). Dynatrace will ensure these systems operate smoothly and maintain normal operational posture, without interruption. For example, software must be configured in accordance with DHS OCIO system architecture requirements. The use of other products could result in interoperability, compatibility, and/or interface issues that would prevent the system's support team from providing efficient and effective customer support. The proprietary software offered by Dynatrace has several unique features and functions that are not presently available in the marketplace.

In accordance with RFO FAR 8.401 and GSAR 538.7104-3(b)(ii), Only one source, Carahsoft Corporation is the sole authorized government sector distributor for Dynatrace, and all authorized resellers must procure the licenses through Carahsoft. As a result, any acquisition executed through a third-party reseller would introduce an additional intermediary layer in the supply chain without adding value to the Government. This approach introduces security and contractual risk. Indirect procurement limits the Government's direct privity to enforce critical terms and conditions, including cybersecurity, data protection, and incident response requirements, and increases the likelihood of inconsistent or altered terms through reseller flow-down provisions. It also creates fragmented accountability in the event of a security incident or performance issue. In addition, it would increase total cost due to reseller markups layered on top of Carahsoft's pricing, create unnecessary pass-through fees, complicate contract administration and license management, delay delivery timelines due to indirect fulfillment processes. All resellers can only purchase Dynatrace through Carahsoft, pricing originates from Carahsoft, and any reseller-provided quote is inherently dependent on Carahsoft's pricing structure. Therefore, procuring directly from Carahsoft eliminates security and contractual risks, and ensures the Government receives the most streamlined and cost-effective solution.

5. Determination by the ordering activity contracting officer that the anticipated order represents the best value consistent with RFO FAR 8.401 and GSAR 538.7102-2(b)(4).

   The Contracting Officer (CO) has determined that the anticipated cost to the Government will be fair and reasonable. The Dynatrace licenses will be procured through Carahsoft's GSA schedule contract 47QSWA18D008F. GSA has determined the contractor's pricing to be fair and reasonable. In order to determine reasonableness, GSA reviewed the contractor's pricing and compared it to commercial prices. During the review by GSA, contractors must disclose their commercial sales practices, including discounts and markups. To further ensure price reasonableness, the CO will request discounts and review the GSA contract ceiling to verify the proposed prices are within the ceiling. The CO has determined that issuing an order under the GSA MAS to Carahsoft represents the best value to the Government.

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.

   DHS/OCIO conducted market research to identify commercially available software that provides advanced, automated application performance monitoring across on-premises, cloud, and hybrid environments. DHS market research identified alternative software with similar features to Dynatrace. When deciding to transition to another APM, the following features must be evaluated: Full Stack Observability, AI-Powered Automation, Real-Time Monitoring, End-to-End Tracing, Auto Discovery & Instrumentation, Infra Monitoring, Application, Application Performance Management , Digital Experience Monitoring, Cloud Native Support, Security Monitoring, Dashboards & Reporting and Integration Ecosystem.

   Dynatrace was compared against seven other license types with APM but they didn't have the full features that DHS requires. While there are many performance monitoring platforms available in the commercial marketplace that meet most of DHS' requirements, only Dynatrace meets all the government requirements specific to HSIN, Financial Systems Modernization Solution (FSMS), GII, and Identity Services. DHS requires features such as End-to-End Tracing, Auto Discovery, and Digital Experience Monitoring. These capabilities are essential for comprehensive visibility, operational efficiency, and proactive incident response across DHS's complex IT environments. They enable DHS to quickly identify, diagnose, and resolve issues, ensure optimal performance for mission-critical applications, and maintain high standards of user experience and service reliability. While Security Monitoring and AI Powered Integration are important, these additional features provide critical support for maintaining operational resilience and meeting DHS's mission requirements.

   APM features such as Security Monitoring and AI Powered Integration required by DHS were not found as part of a comprehensive package in the marketplace. Dynatrace offers a more advanced and integrated security posture than [redacted] with its AI-driven Davis® engine automatically detecting and analyzing security vulnerabilities, anomalous behaviors, and threats

in real time across cloud-native environments, microservices, and containers. Unlike [redacted] which relies on external integrations and manual configuration for security monitoring, Dynatrace provides native, automated vulnerability detection, real-time attack identification, and contextual root cause analysis, resulting in faster detection and response. Deployed within the DHS Enterprise Cloud and adhering to the NIST SP 800-53 High-Impact baseline, Dynatrace supports the most rigorous security and privacy controls to safeguard critical information systems. Additionally, Dynatrace's fully integrated AI engine analyzes billions of dependencies, detects anomalies, and performs automated root cause analysis without manual setup, delivering precise, actionable insights and reducing mean time to resolution in complex environments. In contrast, [redacted] relies more on user-defined thresholds, manual configuration, and separate integrations for advanced AI features, requiring additional manual investigation for root cause analysis and correlation.

Market research indicates other companies' similar products lack the particular feature(s) required and do not meet, or cannot be modified to meet, the needs of DHS as reflected in the table above. Only Dynatrace offers deep, end-to-end visibility into application health, user transactions, and business processes and provides code-level diagnostics, real user monitoring, and automated root cause analysis. Dynatrace is the only software that provides advanced APM capabilities required of these systems that have an Authority to Operate (ATO) at DHS HQ. Specifically, none of the other products were able to meet the APM requirements with a DHS HQ ATO.

7. Any other facts supporting the sole-sources justification.

   None.

8. A statement of action, 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 of the supplies or services is made.

   The Government will continue to conduct market research to identify potential software solutions comparable to Dynatrace and authorized distributors of Dynatrace. If other potential sources emerge, DHS OCIO will assess if their solutions meet DHS' requirements.

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

10. Technical/Requirements Personnel Certification.

[redacted]

Technical Representative

11. Contracting Officer Certification

[redacted]

Contracting Officer

12. Approval

In accordance with HSAM 3008.401-71, this sole source justification is approved by the advocate for competition.

[redacted]

Procuring Activity Advocate for Competition or Designee