U.S. Department of Justice

Justice Management Division

Office of Acquisition Management

Washington, D.C. 20530

Determination and Findings (D&F)
For Approval of Bundling of Requirements
ServiceNow Enterprise License Agreement Blanket Purchase Agreement

EXECUTIVE SUMMARY

In accordance with (IAW) 15 U.S.C. 644(e) and FAR 7.107-2(a) (Deviated) and under my authority as the Senior Procurement Executive, I have determined that bundling is necessary and justified for the United States Department of Justice (Department or DOJ) Justice Management Division (JMD) Office of Chief Information Officer (OCIO) ServiceNow Licenses requirement. This acquisition meets the definition of substantial bundling IAW FAR 7.107-1(b)(3)(iii) (Deviated) because the acquisition value is greater than $2.5M. Bundling of the ServiceNow requirement will provide measurably substantial benefits to the Department as compared to meeting the Department's requirements through separate smaller contracts or orders and is justified based on the analysis and facts presented below.

FINDINGS

a. The Department currently contracts for ServiceNow licenses across eleven (11) separate actions involving eleven (11) components, creating redundant procurement overhead and a two-tier reseller structure that adds cost without adding value. This business case proposes combining all renewals into a single Blanket Purchase Agreement (BPA) by going direct to Carahsoft Technology Corporation (Carahsoft) as the authorized reseller for ServiceNow under the General Service Administration (GSA) Multiple Award Schedule (MAS). ServiceNow software licenses and associated support are referred to as 'Stock Keep Units' (SKUs). Due to the redundant procurements across the various components, the management of the Department's ServiceNow requirements is fragmented and lacks a centralized mechanism for tracking user activity and overall usage. This absence of visibility not only impedes operational oversight and accountability but also limits the Department's ability to make informed decisions about resource allocation and platform optimization. By implementing robust usage tracking, the Department can unlock critical insights that would pave the way toward a consumption-based model and offer flexible procurement options with Carahsoft—ultimately aligning costs more closely with actual demand and improving fiscal efficiency.

b. JMD OCIO through the Office of Acquisition Management (OAM) Procurement Service Section (PSS), plans to bundle current and emerging ServiceNow requirements

under a new ServiceNow Enterprise License Agreement (ELA) BPA with Carahsoft, which is ServiceNow's sole authorized distributor for the U.S. Federal Government under the GSA MAS Contract # 47QSWA18D008F. As discussed in more detail in paragraphs below, market research demonstrates that bundling is both necessary and justified.

c. As prescribed by FAR 7.107-1(a)(1) (Deviated), JMD OCIO and OAM PSS conducted significant market research IAW FAR 10 (Deviated) for the ServiceNow requirements between June 2025 and January 2026. Market research activities included internet searches and review of previous purchases.

Based on market research results, it was determined that alternative brands will not meet the Department's needs because they do not provide the same level of optimization as ServiceNow. In order to secure the same capabilities ServiceNow offers, the Department would need to execute many more contracts for partner technologies, maintain many more platforms, secure contracts with multiple other service integration teams, and perform difficult development to link the products together.

OCIO and OAM researched the market for authorized ServiceNow resellers. On the National Aeronautics and Space Administration (NASA)'s Solutions for Enterprise-Wide Procurement (SEWP) V, Government-Wide Acquisition Contract (GWAC), the team came across a total of ninety-six (96) contract holders selling the brand name. Fifty (50) out of the ninety-six (96) contract holders were ServiceNow-approved resellers. Of the fifty (50) approved resellers, Carahsoft Technology Corporation holds the largest catalog of ServiceNow products on NASA SEWP, followed by Advanced Computer Concepts, Inc. and BahFed Corporation. These contract holders streamline IT procurement by enabling federal agencies to acquire ServiceNow's Artificial Intelligence (AI)-driven workflow and cloud solutions. Of the top three contract holders, Carahsoft is the 'Master Government Aggregator' and the sole distributor that manages the network of ServiceNow products and resellers across the SEWP V vehicle. As the sole distributor, the other contract holders buy their ServiceNow licenses from Carahsoft and resell them at a minimum of four to six percent markup to the Government via NASA SEWP.

Correspondingly, the GSA eLibrary link to manufacturer directory for ServiceNow, which lists all contractors offering the manufacturer's items through GSA, was checked. Per the search result, Carahsoft is the only contractor offering ServiceNow on the GSA MAS. Carahsoft was appointed as the Master Aggregator for the Federal Government by ServiceNow primarily to navigate and accelerate the adoption of AI. To that end, ServiceNow changed its business model by moving away from a general reseller/fulfiller model to a user's model with partners who invest heavily in ServiceNow's platform and AI capabilities, making it more challenging for smaller, non-specialized partners to maintain their status as resellers for the brand name.

As part of market research to determine from what source had offerings at a lower cost, prices were compared on GSA and on NASA SEWP. In comparing prices published on GSA versus those available on NASA SEWP for certain SKUs of the ServiceNow licenses (only some, because not all SKUs are priced on NASA SEWP, as NASA SEWP does not offer a catalogue price list available for view; prices are made available when a quote is requested), it was determined that overall pricing on GSA was lower than on NASA SEWP. In addition, as part of GSA's 'OneGov' strategy, significant discounts are currently offered for the following ServiceNow products:

MFR Part No.	Product Description	Commercial Price List	Discount Price	Delta	
				$	%
SNITSSMPROLUS	ITSM PRO + ITSM PRO PLUS - UUV3	$31.92	$9.58	$22.34	70%
SNITSMPROPLUSNSC	ITSM PRO + ITSM PRO PLUS NSC IL5 – UUV3	$41.49	$12.45	$29.09	70%
PROD17257-Fed	SERVICENOW(R) IT	$19.95	$11.97	$7.98	40%
PROD17415-Fed	SERVICENOW(R) IT	$25.93	$15.56	$10.37	40%

Table 1 GSA OneGov Strategy Discounts for ServiceNow Products

Given GSA's greater visibility of pricing, lower costs, going forward the Department should use GSA for all ServiceNow requirements, current and emerging. Moreover, the ITSM PROs bundles described in Table 1, above, are designed for faster artificial intelligence (AI) adoption by Federal agencies and support the Administration's AI Action Plan. The OneGov deal between GSA and ServiceNow provides Federal agencies with direct access to a mission-ready AI platform to allow them to deliver faster modernization, stronger collaboration, and cost savings for taxpayers.

d. This acquisition will consolidate the requirements from eleven (11) contracts into one contract (see table 3, below). The eleven (11) contracts have a total estimated value of $16M with ten (10) contracts that are being performed by five (5) small business contractors, including firms classified as Small Businesses, HUBZone firms, and Service-disabled Veteran-owned Small Businesses. One (1) contract is being performed by a large business contractor. These contracts encompass various periods of performance that will be co-termed under the proposed BPA. By consolidating the eleven (11) contracts into one, the resultant BPA will not be suitable for small businesses. Because the consolidated BPA is not suitable for small businesses, it constitutes bundling. FAR 2.101 (Deviated) defines "Bundling" as "combin[ing] two or more requirements for supplies or services, previously provided or performed under separate smaller contracts[,] into a solicitation for a single contract . . . that is likely to be unsuitable for award to a small business concern…" FAR 2.101 (Deviated) further defines "separate smaller contracts" as "a contract that has been performed by one or more small business concerns or that was suitable for award to one or more small business concerns." Additionally, the BPA estimated value of $100M exceeds $2.5M. Therefore, this acquisition meets the definition of "Substantial Bundling."

e. By bundling the eleven (11) contracts and using standardized processes and procedures to improve efficiency and effectiveness, functional interoperability across the scope of the eleven original contracts will be achieved (see FAR 7.107-2(c)(1) (Deviated)). Additional savings will be realized from the use of a single enterprise-wide agreement which will dramatically reduce the number of resources and approvals required (see FAR 7.107-2(c)(2) (Deviated)). This approach will deliver significant advantages to the Department, including more favorable terms and conditions, streamlined contract administration, reduced procurement lead times, and measurable cost avoidance-while ensuring enterprise-wide standardization and enhanced mission support.

f. Executive Order (EO) 14240, titled "Eliminating Waste and Saving Taxpayer Dollars by Consolidating Procurement," significantly reshapes how the Department approaches Information Technology (IT) strategy and procurement planning by directing federal agencies to centralize the acquisition of common goods and services, including software and IT, with the GSA.

g. EO 14306 titled: 'Sustaining Select Efforts To Strengthen the Nation's Cybersecurity and Amending Executive Order 13694 and Executive Order 14144, 'emphasizes the need for agency policies to align investments and priorities to improve network visibility and security controls to reduce cyber risks. To that end JMD OCIO needs to set-up a shared ServiceNow platform via the proposed BPA to allow any and all DOJ components to leverage a secured environment instead of operating their own separate instances of ServiceNow via standalone contracts.

h. Office of Management and Budget (OMB) Memorandum M-25-31 dated July 18, 2025, issued guidance to support increased use of centralized contracts. Notably, the guidance announces that the FAR, which currently encourages agencies to use existing government-wide contracts, will be amended to require that agencies "must use the existing contract vehicle instead of awarding a separate new contract" to procure commercial products or services meeting the agency's requirements, absent an exception. Shifting to government-wide contracts will streamline acquisition cycles and reduce duplication, particularly for enterprise platforms like ServiceNow. As a result, the JMD OCIO must adopt a category management framework, ensuring that IT investments are both cost-effective and mission aligned.

i. OMB M-26-10 dated March 31, 2026, issued guidance requiring federal agencies to closely track and report their Information Technology (IT) spending and contracts. The mandate is designed to cut costs, eliminate redundant one-off technology purchases, and empower Chief Information Officers (CIOs) to be "appropriately involved in any agency decision related to IT [Information Technology.]". In furtherance to this memorandum, the proposed BPA if/when awarded will afford JMD OCIO the ability to closely track and report on its Information Technology (IT) spend and contracts.

j. IAW FAR 7.107-1(a)(2) (Deviated), alternative contracting approaches were considered and were as follows:

1. First, the team considered grouping the licenses by splitting the SKUs by modules [Business Stakeholder, Instances, ITSM, ITOM, ITAM, SPM, CSM, Public Sector Digital Services, IRM, SECOPS, Employee, HRSD, Enterprise Architect, App Engine, GEN AI, Source to Pay Operations, EAM, Indoor Mapping, ERP, WSD, FSM, Services Training, Workflow Data Fabric and AI Control tower] for distinct contracts. However, the team quickly decided that this alternative contracting approach would further increase the number of contract actions for the components as they would need separate contracts for each of the modules. Furthermore, the alternative would exacerbate inefficiencies, require too many approvals, lead to slower turnaround times, increase administrative costs, and prevent the Department from achieving its goal of streamlining the acquisition process for ServiceNow.

2. Second, the team considered an unrestricted competitive single award BPA under the National Aeronautics and Space Administration (NASA)'s Solutions for Enterprise-Wide Procurement (SEWP) V, Government-Wide Acquisition Contract (GWAC) under group 'D' to allow all fifty (50) ServiceNow-approved resellers to compete at the prime contractor level while continuing to leverage authorized distribution as needed. Although this approach could balance efficiency with competition and is more likely to result in improved cost control, the team found this alternative contracting approach inefficient and not cost effective because Carahsoft is the sole distributor of the ServiceNow licenses to the other ServiceNow-approved resellers. Thus, Carahsoft sits much closer to ServiceNow (Original Software Developer) and can secure much steeper volume discounts than the other resellers. Therefore, Carahsoft possesses a cost advantage that would enable them to undercut the other resellers.

3. Third, the team considered excluding Carahsoft from the competition by setting aside the entire requirement as a 100% small business set-aside under NASA SEWP V, group B and C, by allowing all 37 ServiceNow-approved small business resellers to compete. The team concluded that this would be inefficient and not cost effective for the same reasons as an unrestricted competition. All the small businesses resellers are merely reselling Carahsoft at a markup. Therefore, the team decided not to pursue this option.

4. Fourth, the team considered continuing with the structure of eleven (11) separate contracts and determined that this approach was not viable because the Department would continue to incur administrative costs and pay redundant markups on each of the eleven contracts. Therefore, the status quo (continuing with the structure of 11 contracts) is unacceptable and causes non-compliance with EO 14240 and OMB Memorandum M-25-31. Adherence to this EO and OMB Memo is mandatory.

5. The last and final alternative considered was to procure the ServiceNow licenses by going direct to Carahsoft under the GSA MAS contract number 47QSWA18D008F. This approach was preferred because it offered solution alignment, operational efficiency, removes second tier intermediaries, reduces markups, reduces

procurement risk, and aligns with EO14240, federal mandates for Information Technology modernization and cybersecurity.

k. FAR 7.107-2(b) (Deviated) provides the agency the authority to determine whether bundling is necessary and justified when the expected benefits meet the dollar thresholds in FAR 7.107-2(c)(3)(ii) (Deviated). The criteria that must be met to justify bundling are as follows: over the lifespan of a contract, savings or reduction in cost of either "Five percent of the estimated contract or order value (including options) or $9.4 million, whichever is greater, if the value exceeds $94 million" (FAR 7.107-2(c)(3)(ii) (Deviated)).

The estimated value of the bundled requirements (ELA BPA) is $100M. Given the aforementioned criteria, the savings associated with the ELA BPA must exceed, at a minimum, $9.4M over the course of the BPA.

The proposed acquisition approach includes use of an authorized reseller consistent with existing ServiceNow licensing practices to bundle all renewals into a single BPA and ELA with Carahsoft. By procuring directly from Carahsoft, it is estimated that the Department will achieve cost savings of approximately $26.6M over the life of the BPA (See Table 2). The savings of an estimated $26.6M will far exceed the minimum of $9.4M set out by FAR 7.107-2(c)(3)(ii) (Deviated).

	Base Year	Year 2	Year 3	Year 4	Year 5	Total
Savings Detail						
Margin Savings (Direct to Carahsoft)	$320,000	$250,000	$180,000	$110,000	$40,000	$900,000
Elimination of Renewal Uplifts	$0	$2,330,164	$4,893,344	$7,718,833	$10,816,077	$25,758,418
TOTAL	$320,000	$2,580,164	$5,073,344	$7,828,833	$10,856,077	$26,658,418

Table 2 Projected Savings Over Five Years

1. At present, the DOJ ServiceNow spend base for the BPA is approximately $16M. The current spend for standalone contracts - without bundling – typically applies a margin 6 percent. When procuring directly from Carahsoft and avoiding markups, the applied margin will be 4 percent. Thus, with bundling, there will be a 2 percent margin elimination. This margin elimination results in a savings amount of $900,000 over the life of the BPA. (See Table 2).

2. The cost analysis demonstrated that projected annual expenditures under continued independent renewals would increase from approximately $23.3M in Year 1 to approximately $34.1M by Year 5 due to recurring commercial uplift rates. In contrast, the proposed ELA maintains flat pricing across the evaluated term and eliminates projected out-year escalation exposure. As a result, the Government estimates cumulative avoided cost increases of approximately $25.7M over the five-year evaluation period solely from stabilization of pricing and elimination of renewal uplift growth. (See Table 2).

l. Additionally, the Government evaluated the financial impact associated with onboarding new components, specifically the Federal Bureau of Investigation (FBI) and Bureau of Prisons (BOP), under the proposed enterprise construct. The analysis compared projected standalone acquisition costs for equivalent licensing and capabilities against pricing available through inclusion within the ELA. The evaluation included approximately 71,194 additional users requiring enterprise IT service management and AI-enabled support capabilities. The analysis determined that independently procuring equivalent capabilities for these additional components would result in substantially higher costs than inclusion within the enterprise agreement.

m. IAW FAR 7.107-2(c) (Deviated), it has been determined that the Department would receive significant benefits from reducing the number of vendors from eleven (11) to one (1) which would enable the Department to negotiate volume discounts and establish enterprise-wide pricing with the second-tier distributor, Carahsoft for the required ServiceNow licenses. Moreover, JMD OCIO would be able to identify and cancel redundant or underutilized licenses subscriptions. Lastly, bundling would enable the Department to realign spending by strictly enforcing its procurement policies and ensure all ServiceNow procurements are made under the proposed BPA.

n. IAW FAR 7.107-2(c) (Deviated), transitioning from eleven (11) standalone contracts to a single award BPA will streamline operations, decrease costs, reduce paperwork, and save time across DOJ by eliminating the need for repetitive, individual purchases from a schedule contract. In addition, JMD OCIO will be able to access essential information such as license status, application of software assurance benefits, and expiration dates. All of which will eliminate contract fragmentation and centralize accountability for service delivery.

o. IAW FAR 7.107-2(c)(6)(ii)-(iv) (Deviated) and to further promote opportunities for small business, the solicitation will include a requirement for subcontracting to be coordinated with the Office of Small and Disadvantage Business Utilization (OSDBU). This approach will ensure that small businesses will have an opportunity to gain experience under the proposed BPA and potentially gain an understanding of all of the SKUs the Department requires. Consequently, if GSA elects to add more contractors eligible to sell ServiceNow and if/when the requirement is resolicited, the small businesses would have the requisite SKUs the Department requires.

p. A notice of intent to sole source was posted at the Government Point of Entry (GPE) on SAM.GOV on April 7, 2026, with a close date of May 7, 2026. To date, only Advance Computer Concepts (ACC) has expressed an interest in the Department's requirement by asserting without evidence that they could coordinate directly with the Original Equipment Manufacturer (OEM). ACC's assertion is inconsistent with the 'Letter of Supply' dated February 10, 2026, received from the OEM, ServiceNow. The 'Letter of Supply' clearly states that: "*ServiceNow, Inc. ("ServiceNow") is the developer and publisher of ServiceNow subscription software products and services ("Subscription Service"). As of the date of this letter, Carahsoft Technology Corporation is: (1) ServiceNow's sole authorized distributor for the U.S. Federal Government; and (2) the*

sole holder of a Letter of Supply issued by ServiceNow for the Subscription Service on the General Services Administration Multiple Award Schedule Contract (MAS) Contract # 47QSWA18D008F". Therefore, ACC is currently not eligible to compete or support the Department's requirements under the GSA MAS.

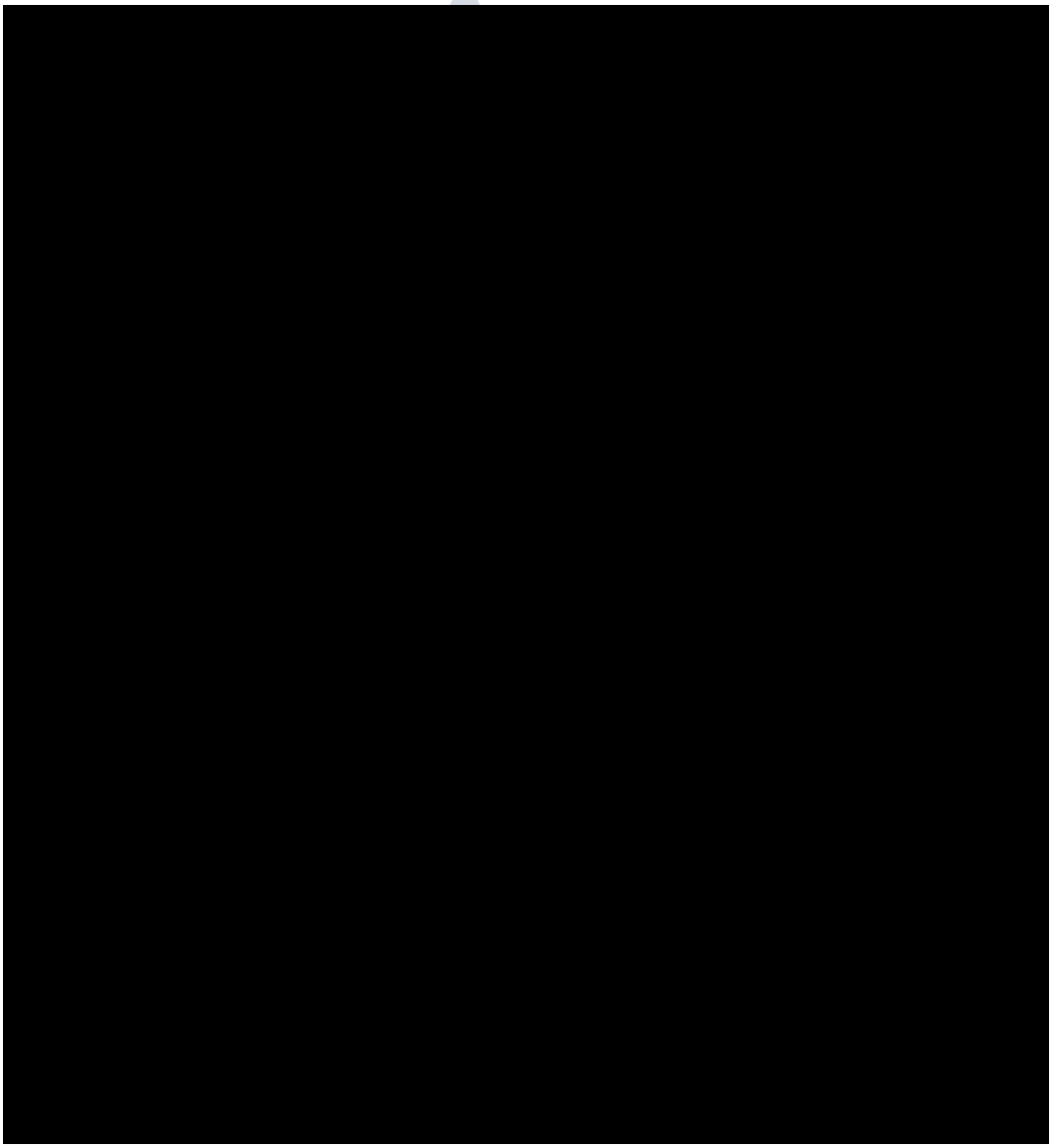
q. IAW FAR 7.107-3(a)(1) (Deviated) the Department has identified and will notify affected incumbent small business concerns of the Department's intent to bundle the requirement at least 30 days before release of the solicitation and provide information on how to contact the appropriate Small Business Administration representatives. Five (5) incumbent small business concerns will be impacted as they perform ten (10) of the ServiceNow orders to be consolidated/bundled.

DOJ Active Renewal Contract Holders			
Contractor	Contractor Email	Socio Economic Category	Component
New Tech Solutions, Inc.	Mani@ntsca.com	Small Business	FPI
New Tech Solutions, Inc.	Mani@ntsca.com	Small Business	NSD
New Tech Solutions, Inc.	Mani@ntsca.com	Small Business	CRT
New Tech Solutions, Inc.	Mani@ntsca.com	Small Busines	CIV
Omnivista Consulting LLC	Info@omnvistaconsultng.com	WOSB	JMD
Thundercat Technology LLC	Dshapiro@thundercatteck.com	SDVO SB	OIG
Thundercat Technology LLC	Dshapiro@thundercatteck.com	SDVO SB	ATR
Thundercat Technology LLC	Dshapiro@thundercatteck.com	SDVO SB	USMS
SDVO Solutions LLC	Blake@sdvosolutions.com	SDVO SB	OJP
Anacapa Micro Products, Inc.	Miguel@anacapamicro.com	HUBZone	EOIR
SAIC	Meaghen.P.Murray@saic.com	Other than SB	USMS

Table 3 Identification of ServiceNow Contract Holders

DETERMINATION

Based on the foregoing findings, I determine, pursuant to FAR 7.107-1(a)(6) (Deviated) and FAR 7.107-2 (Deviated) that the proposed bundling of the ServiceNow requirement for JMD OCIO is both necessary and justified, will provide substantially more benefits than those derived from alternative contracting approaches, and will serve the best interests of the Government.

Contracting Officer Certification

The ordering activity contracting officer certifies that the determination is accurate and complete to the best of the contracting officer's knowledge and belief