JUSTIFICATION FOR EXCEPTION TO FAIR OPPORTUNITY OR BRAND NAME

Federal Acquisition Regulation (FAR)
Part 16.5 Justification & Approval (J&A)

CSS Tracking Number: 852674733
Military Interdepartmental Purchase Request/7600B: F1ATD26141G101, F1ATD26140G002
Procurement Title: F-35 Joint Program Office (JPO)
Estimated Value: [redacted]
Regulatory Authority: FAR 16.507-6(b)(2)

J&A Exception to Fair Opportunity Number: JA26-062

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1. REQUIRING AGENCY AND CONTRACTING ACTIVITY:
Requiring Agency: Department of War (DoW) / F-35 JPO
Contracting Activity: Defense Information Systems Agency (DISA)
Defense Information Technology Contracting Organization (DITCO)/Cloud Capabilities Section (PS8511)

2. NATURE/DESCRIPTION OF ACTION(S):
Type of Action: New Task Order (TO)
Type of Contract: Firm-fixed-price (FFP)

This action is to issue a TO against the JWCC Indefinite Delivery/Indefinite Quantity Contract for F-35 JPO cloud environment, directly to Microsoft Corporation. The anticipated period of performance (PoP) is for a 1-year base period, plus one 1-year option period and one 6-month option period. The total estimated value is [redacted].

3. DESCRIPTION OF SUPPLIES/SERVICES:
The objective of this requirement is to transition the existing F-35 JPO Azure Cloud services from the current DoW Engineering Support Activity (ESA) contract to JWCC. The Cloud Service Provider (CSP) shall provide comprehensive F-35 Azure Cloud services to support the development, modernization, and sustainment of F-35 JPO systems and datacenter operations, including support for public, unclassified, and classified cloud environments.

4. IDENTIFICATION OF EXCEPTION TO FAIR OPPORTUNITY:
FAR 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

5. DEMONSTRATION THAT THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS OR THE NATURE OF THE ACQUISITION REQUIRES USE OF THE EXCEPTION CITED:

J&A: F-35 JPO

1. UNIQUE QUALIFICATIONS:
   Microsoft is the only source capable of meeting the F-35 JPO's requirements without necessitating a complete re-architecture. Technical documentation confirms that the JPO's mandatory identity management and hybrid configurations natively require Microsoft-hosted Infrastructure as a Service (IaaS) components to function. No other CSP possesses an immediately available Impact Level (IL)4, IL5, IL6 environment natively integrated with the JPO's specific authentication and networking architecture.

2. IMPACT:
   If the Government were to pursue competitive procedures for this requirement, the impact on the F-35 JPO would be characterized by severe operational degradation and an unacceptable increase in safety-of-flight risks. Transitioning to another CSP would mandate a "ground-up" rebuild estimated to take over 24 months for re-architecture, re-accreditation, and data migration. The resulting multi-year downtime for systems like EFCT (which governs airworthiness) would introduce an unacceptable safety-of-flight risk and mission delays, which offers no benefit to the Government.

6. DETERMINATION OF FAIR AND REASONABLE COST:
A determination that the price is fair and reasonable will be based on a comparison of the contractor's proposal to the independent government cost estimate and the JWCC Catalog pricing, including any discounts, which was previously found to be fair and reasonable and based on the contractor's commercial pricing.

7. MARKET RESEARCH:
Market research for the basic JWCC Contracts was conducted and resulted in a signed market research report on November 9, 2021. This market research was subsequently revalidated and recertified on July 29, 2024, and most recently on February 6, 2026. After a survey of the market, it was concluded that use of the JWCC Contract is in the Government's best interest due to technical feasibility and cost to the Government.

The Government's market research included formal request for response to support an exception to fair opportunity to all eligible JWCC Cloud Service Providers as well as analysis of catalog offerings and technical documentation. Three CSPs responded: AWS, which proposed a full migration of the F-35 environment to its infrastructure and provided a detailed service crosswalk; Google, which offered equivalent services under its IL5 Data Boundary model; and the current CSP, which demonstrated immediate compatibility with the existing IL4/IL5/IL6 architecture. Oracle did not submit a response and therefore could not be evaluated. The research also included review of program documentation, technical environment diagrams, and discussions with cloud subject-matter experts to assess feasibility, timeline, and mission impact. Collectively, the results showed that only Microsoft can meet the requirement without multi-year re-engineering, re-authorization, or interruption to mission-critical IL4/IL5/IL6 services.

8. ANY OTHER SUPPORTING FACTS: None

9. ACTIONS THE AGENCY MAY TAKE TO REMOVE OR OVERCOME BARRIERS THAT LED TO THE EXCEPTION TO FAIR OPPORTUNITY:

The previous procurements was/were not based upon an exception to fair opportunity.

Procurement History:
Incumbent Contractor: Dell Marketing LP
Contract Number: N0001923F0540
Task Order Number: Not applicable
Period of Performance: June 1, 2021 - May 31, 2026
Competitive Status: Full and open competition
Business Size: Large business

1. Budget and Program Objective Memorandum (POM) Planning for Transition
The Government acknowledges that the primary barrier to competition is the substantial duplication of costs (and the 24-month timeline required for re-architecture. To address this, the JPO will attempt to request dedicated funding in the next two fiscal years or through the POM cycle. Securing this budget is a prerequisite for any meaningful effort to decouple from the current provider, as it would fund the parallel environment build-out, data migration, and the rigorous recertification required to move mission-critical systems without grounding flight operations.

2. Transition Toward Cloud-Agnostic Architecture
With the goal of future portability, the JPO will evaluate the feasibility of containerization for new application development. By leveraging "cloud-native" technologies such as Kubernetes, the Government aims to separate the application layer from the underlying infrastructure. This strategy is intended to reduce the technical "lock-in" currently created by Azure-specific services, making it easier for alternative CSPs to host mission systems in future contract cycles.

3. Continuous Market Research and JWCC Monitoring
The Government will perform ongoing market research to monitor the evolving capabilities of all providers under the JWCC contract. As AWS, Google, and Oracle continue to mature their IL5/IL6 offerings and identity integration tools, the JPO will reassess whether these vendors can meet the program’s mandatory security and identity requirements without the prohibitive delays currently forecasted.

4. Identity Management Modernization
A significant barrier to competition is the JPO’s reliance on a hybrid identity model tied to Microsoft-proprietary protocols. The JPO is exploring long-term strategies to modernize its identity and access management framework. Investigating provider-neutral identity solutions is a critical step in allowing the JPO to eventually operate in a multi-cloud or hybrid-cloud environment where authentication is not platform-dependent.

5. Evaluation of Migration and Orchestration Tools
The Government will monitor the development of automated migration and cross-cloud orchestration tools. As these technologies mature, the cost and time required to replicate the JPO’s complex network enclaves and Cloud Access Point configurations may decrease. The JPO will conduct periodic cost-benefit analyses to determine if the long-term savings of a competitive

environment justify the investment required for a full-scale migration.

While the current technical architecture and mission-critical safety requirements necessitate a sole-source follow-on to ensure continuity of operations, the F-35 JPO does not intend for this to be a permanent state. By actively seeking the necessary POM funding for a transition and focusing on identity modernization, the Government is taking concrete steps to ensure that future cloud requirements can be competed among all qualified JWCC providers.

J&A: F-35 JPO

TECHNICAL CERTIFICATION: I certify that the supporting data under my cognizance which are included in the J&A are accurate and complete to the best of my knowledge and belief.

NAME: Robert Kumar SIGNATURE: See Separate Signature Page

TITLE/AGENCY/ORGANIZATION: IT Director Cloud Operations, DoW

PHONE: [redacted] DATE:

REQUIREMENTS CERTIFICATION: I certify that the supporting data under my cognizance which are included in the J&A are accurate and complete to the best of my knowledge and belief.

NAME: Robert Kumar SIGNATURE: See Separate Signature Page

TITLE/AGENCY/ORGANIZATION: IT Director Cloud Operations, DoW

PHONE: [redacted] DATE:

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

NAME: Jacob R. Benhoff SIGNATURE: See Separate Signature Page

TITLE/AGENCY/ORGANIZATION: Contracting Officer/DISA/DITCO/PS8511

PHONE: [redacted] DATE:

PROCURING ACTIVITY COMPETITION ADVOCATE APPROVAL: I have reviewed this justification and find it to be accurate and complete to the best of my knowledge and belief. Since this justification does not exceed $100M, this review serves as approval and my written determination that the aforementioned FAR circumstances apply.

NAME: Andrea Horstman SIGNATURE: See Separate Signature Page

TITLE/AGENCY/ORGANIZATION: PACA

PHONE: [redacted] DATE:

ALL QUESTIONS REGARDING THIS JUSTIFICATION ARE TO BE REFERRED TO Jacob M. Sopiars, [redacted], jacob.m.sopiars2.civ@mail.mil