JUSTIFICATION & APPROVAL (J&A) FOR FEDERAL ACQUISITION REGULATION (FAR) SUBPART 16.5 ACQUISITIONS EXCEPTION TO FAIR OPPORTUNITY

Multiple Award Schedule (MAS)/ Multiple Award Contract (MAC)
Orders under MAC/ Fair Opportunity – FAR 16.507-6

Purchase Request Number*:* TBD
Contract Number: GS00Q17NSD3006
Task/Delivery Order Number: HC1013-22-F-0112
Procurement Title: DoD365 Integrated Phone System (DIPS) Bridge
Estimated Value: [redacted]
Statutory and Regulatory Authority: 10 U.S.C. 3204(a) and FAR 16.507-6(b)(3)

J&A Number: PS26-045

Upon the basis of the following justification, I, as the Procuring Activity Competition Advocate, hereby approve this exception to fair opportunity pursuant to the authority of 16.507-6(b)(3).

1. REQUIRING AGENCY AND CONTRACTING ACTIVITY:

Requesting Activity:
Defense Information Systems Agency (DISA)/Portfolio Acquisition
Executive (PAE) Services
6910 Cooper Avenue
Ft. Meade, MD 20755-7088

Contracting Activity:
Defense Information Systems Agency (DISA)/Defense Information Technology
Contracting Organization (DITCO)/Telecommunications Division (PS8214)
2300 East Drive
Scott Air Force Base, Illinois 62225-5406

2. NATURE/DESCRIPTION OF ACTION(S): This is an exception to fair opportunity issued to bridge the time period between the expiration of task order HC1013-22-F-0112 and the award of a follow-on task order, which is expected to be awarded within the next two years with a Period of Performance (POP) start date in August 2028. The bridge POP will be from August 10, 2026 to August 9, 2028, consisting of one, 12-month base period and one, 12-month option period.

Controlled By: DISA
Controlled By: PSD/PS8214
CUI Category: PROCURE
Distribution/Dissemination Control: FEDCON
POC: disa.meade.psd.mbx.contract-policy@mail.mil)]

The bridge will be a fixed price with economic price adjustment task order funded with fiscal year 2026 Defense Working Capital Funding (DWCF).

3. DESCRIPTION OF SUPPLIES/SERVICES: DIPS is a functionality within Department of Defense (DoD) Microsoft Teams, which enables Teams soft clients to operate as a soft phone for end users. This feature upgrade to the current use of Teams significantly altered Session Initiation Protocol (SIP) call patterns between the DoD Microsoft O365 hosted tenants and the DISA managed Voice Cloud Access Point gateways, which requires an enhanced Session Border Controller (SBC) solution to meet these SIP based call flows.

The primary reason for the evolution of the DIPS requirement is due to the change in how calls traverse the network. Originally, it was expected that calls between two DIPS users in the same tenant would route through the DIPS enterprise infrastructure; however, a subsequent Microsoft Teams update introduced a lookup function altering the call routing expectation. Following the Microsoft update, if both users are in the same tenant, the call is converted to a Teams-only call, bypassing the DIPS system altogether. This update, which was not available when the original Performance Work Statement was written, has greatly reduced the traffic workload. This technical evolution, combined with the continued rollout to over 2.5 million users, continues to provide lessons that continue to shape the follow-on procurement requirements. Therefore, additional time is required to ensure the scope of the follow-on requirement meets the agency's actual needs while maximizing efficiencies.

The bridge extension seeks to continue network data services to deliver and fully support a managed Microsoft "Direct Routing" service to the Microsoft IL5-hosted DoD instance of O365. The intent is to provide high quality service and highly competitive prices, which will provide activation, operations, management, and sustainment of the Software as a Service (SaaS) element of the hosted SBC providing a full-service telephone system.

4. IDENTIFICATION OF EXCEPTION TO FAIR OPPORTUNITY:

(a) Exception to Fair Opportunity. The task order must be awarded on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already awarded under the contract, for which all awardees were given a fair opportunity to be considered for award of the original order. Moreover, the current order underway must be completed before the new procurement can be issued. Therefore, this follow-on is a logical continuation to the existing order while the Government plans the new procurement which is contingent on further roll out to identify relevant requirements across the DoD.

(b) Justification.

(1) Proposed sole source contractor. Lumen Technologies Government Solutions, Inc. (Lumen) of 931 14th St 1000B, Denver, CO 80202 USA.

(2) The follow-on cannot be awarded and services transitioned prior to the current task order expiration of August 9, 2026, due to the extensive evaluations ongoing of the future requirement's scope, based on the technical evolution and continued rollout

discussed above. Thus, additional time is required to ensure the scope of the follow-on meets the agency and Government's requirements while maximizing efficiencies and lowering overall costs based on actual requirements and ensuring there is enough time to procure and transition the DIPS capability appropriately. During this period of procurement planning and execution, Lumen is the only source that can fulfill this requirement without risk of a substantial break in service/support to the DISA mission partners. A sole-source action is necessary to bridge the gap between the current expiration of DIPS in August 2026 and the award of the follow-on task order.

Task Order HC1013-22-F-0112 was a competitively awarded requirement and included a scope of up to 250,000 Concurrent Calls Licenses (CCLs). This was a new requirement with many unknowns as to what actual volume of workload requirements would materialize, and as such, the enterprise environment was overbuilt to compensate for that unknown capacity. Throughout performance of the task order, and as the Government has been building the competitive follow-on requirement package, significant volume and technical changes continue to be made to define the scope. The Government requires additional time to better evaluate the size, scope, and requirements of the DIPS enterprise to avoid underbuilding/overbuilding the new enterprise in the follow-on contract. As such, it is in the best interest of the Government to continue obtaining the required services under the existing enterprise while the program office works to shape the future requirement needs.

Failure to award the contract to Lumen will result in the loss of the DIPS service at the end of the current PoP, severing unclassified telephony for over 1.85 million users across multiple DoD Impact Level 5 (IL5) M365 Tenants. This would disconnect access to commercial and defense switched networks (DSN), leaving department personnel without unclassified voice capabilities. Replacing Lumen's extensive infrastructure is not feasible without incurring substantial costs and significant operational downtime, as no alternative solution is currently available.

Lumen is the only contractor that has the required enterprise to support this effort and ensure no lapse in service. A sole-source action is necessary to ensure continued performance and roll out until the entirety of the follow-on procurement requirements are defined.

5. COST/PRICE FAIR AND REASONABLE DETERMINATION: During source selection of HC1013-22-F-0112, a cost/price evaluation was conducted in accordance with FAR 15.404. The contract prices were determined to be reasonable. The proposed cost/prices for the bridge extension will be compared to the current contract prices as well as the Independent Government Cost Estimate in order to determine fair and reasonableness. In addition, the proposed prices for the bridge extension will also be compared to similar pre-priced services on EIS. A further determination will then be made by the Contracting Officer that the action represents the best value to the Government by conducting both a technical and price evaluation as part of a fair and reasonable price determination.

6. ANY OTHER SUPPORTING FACTS: To prevent a break in service while the Government continues planning the follow on procurement, a bridge contract is essential to ensure real-time information technology and communications operations and support is provided to DISA customers throughout the 50 United States, the United States territories of Puerto Rico, Guam, and the Virgin Islands, as well as numerous worldwide locations. A break in service would be severe to catastrophic as most DIPS users have removed a significant number of their desk phones and reassigned their users DIPS phone numbers to be utilized through Microsoft Teams.

7. ACTIONS THE AGENCY MAY TAKE TO REMOVE OR OVERCOME BARRIERS THAT LED TO THE EXCEPTION TO FAIR OPPORTUNITY: (16.507-6(d)(2)(vii).

(a) Current Contract: GS00Q17NSD3006 / HC1013-22-F-0112
(b) Status: Expires August 10, 2026.
(c) Anticipated Follow-on contract performance date: August 10, 2028

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.

[redacted]

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.

[redacted]

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

[redacted]

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.

[redacted]

ALL QUESTIONS REGARDING THIS JUSTIFICATION ARE TO BE REFERRED TO [redacted]