

OFFICE OF ACQUISITION MANAGEMENT
Limited-Sources Justification (LSJ)
Orders or BPAs Exceeding the Simplified Acquisition Threshold

J&A-19-0130

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.

1. Agency and Contracting Activity:

The Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (ICE), Office of Acquisition Management (OAQ), on behalf of the Office of Firearms & Tactical Programs (OFTP), proposes to award a Delivery Order pursuant to FAR 8.405-6(a)(1)(i)(B), “Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized.”

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

(a) Type of action: Firm-Fixed-Price (FFP) Delivery Order

(b) Amount of Requirement: \$961,347.75

(c) Brief Description: The purchase of hyper-realistic training devices for the [REDACTED] [REDACTED] from the following company:

Strategic Operations, Inc.
4705 Ruffin Road
San Diego, CA 92123

3. Description of Supplies/Services:

ICE is building a state-of-the-art tactical training facility at the [REDACTED] [REDACTED] to support ICE’s expanding Special Response Team (SRT) program. At a minimum, the TOC will contain a multitude of basic, intermediate and hyper-realistic training devices, a tactical training warehouse, classroom facilities, and vehicle assault training area. The OFTP requirement is for hyper-realistic training devices that emulate structures the teams will encounter across the United States and Puerto Rico, including rural, residential suburban, residential urban and commercial buildings.

The total estimated value of this effort is \$961,347.75 to include:

- Training Model #1- “Chicago” style replica (1 of these)
 - Training Model #2- “Arizona” style replica (1 of these)
 - Training Model #3- “Fishbowl” set-up for instructors to view classes from above (3 of these)
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A total of five (5) training style models will be purchased under this requirement.

Below is a breakdown of the cost of the three (3) different types of Training models:

CHICAGO (Cost for 1)	
Price Element	Price Estimate
Labor	\$138,666.92
ODC	\$75,528.00
Materials (Non-GSA)	\$24,000.00
Material (GSA)	\$117,041.44
TOTAL	\$355,236.36

ARIZONA (Cost for 1)	
Price Element	Price Estimate
Labor	\$141,891.73
ODC	\$79,190.50
Material (Non-GSA)	\$11,000.00
Material (GSA)	\$123,569.87
TOTAL	\$355,652.11

FISHBOWLS (Cost for 3)	
Price Element	Price Estimate
Labor	\$60,358.44
ODC	\$48,083.50
Material (Non-GSA)	N/A
Material (GSA)	\$142,017.34
TOTAL	\$250,459.28

Strategic Operations is proposing 90% of the equipment/labor from their GSA Schedule and 10% off the open market. The open market items include the ISO shipping containers, garage doors and the electrical work. The ODC's include lodging expenses, mileage, airfare, vehicles (to include shipping) and fuel charges.

4. Authority and supporting rationale and a demonstration of the proposed contractor's unique qualifications to provide the required supply or service.

Authority:

Select only one of the following circumstances justifying limiting sources pursuant to FAR 8.405-6(a)(1)(i) below and demonstrate the proposed contractor's unique qualifications to provide the required supply or service.

- 8.405-6(a)(1)(i)(B) Only one source is capable of providing the supplies or services
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required at the level of quality required because the supplies or services are unique or highly specialized.

Rationale:

ICE is in the process of expanding its Special Response Teams (SRT) stationed throughout the United States and Puerto Rico. These teams require access to hyper-realistic training venues that support the growing capabilities and evolving SRT mission. OFTP requires a vendor that can deliver the different types of hyper-realistic training devices, offers a significant library of available designs, and can reconfigure and/or relocate these devices as required when training techniques, technology, environmental concerns or facilities-related demands or advancements necessitate these changes. This allows the teams to experience combat conditions in a training environment that truly reflects real world conditions, but in a controlled, duplicatable, and dynamic setting.

The OFTP Statement of Work defines a “Training Device” as:

1. Scalable, Portable, Modular Training Structure;
2. Simulates residential houses, apartment, hotels, government facilities and commercial building or other training configurations; and,
3. Made from portable shipping containers or other appropriate modular materials that can be relocated to alternate sites as needed. This is further defined to include “walls shall be modular and able to be reconfigured to construct different size/or shaped compounds.”

Strategic Operations is the only vendor that demonstrated the unique qualifications to provide a product that meets the Government’s SOW requirements, more specifically items #2 and #3 above.

The Strategic Operations trademarked “Hyper-Realistic” props/design is the only method that will meet OFTP’s requirement to “simulate residential houses, apartments, hotels, government facilities and commercials buildings or other training configurations”. Hyper-Realistic is defined as “such a high degree of fidelity in the replication of battlefield conditions in the training environment that participants so willingly suspend disbelief that they become totally immersed and eventually stress inoculated.” Hyper-realism is a critical component to this acquisition as the details provide essential information that must be acknowledged, processed and acted upon to minimize risk to our Special Agents, Deportation Officers and SRT operators, during high-risk search and arrest warrants, fugitive operations, undercover operations, hostage rescue, gang operations, etc. For example, details like the number of dishes left on the table, toys in the yard, lighting, furniture, etc. all provide clues that allow our agents and officers to infer vital information that directly affects their safety and the potential resolution or outcome in the scenario. Learning to process this information quickly to identify whether there are children present, or how many people are currently in the structure is a necessary skill developed in training. A Defense Science Board task force found that the probability of being a casualty decreases significantly after the first few “decisive combats”. These Hyper Realistic devices will allow the teams to have those experiences in real world conditions without the real world casualties.

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Strategic Operations patented Re-locatable Habitat Units (RHU) are the only product that can meet OFTP's requirement "walls shall be modular and able to be reconfigured to construct different size/or shaped compounds". This patent allows them to offer the ability to easily and rapidly construct and deconstruct the training devices using minimal tools and limited personnel (no more than 2 men). The RHU is based on a 4ft x 8ft (1.2m x 2.4m) lightweight (less than 100lbs) composite material panel system that is engineered to assemble into multi-story, complex configurations with only one tool. A major component to tactical training is the ability to constantly reconfigure the training devices as the students and/or SRT operators become accustomed to the existing layout. This is required to continue to challenge students and assist in building a library of tactical experiences that they can draw from during the execution of high-risk operations. The more often they are exposed to differing layouts, the more readily they can adapt to environmental changes and adjust their tactics to minimize risk and increase officer safety during the execution of these law enforcement duties and responsibilities.

5. Determination by the ordering activity contracting officer that the anticipated order represents the best value consistent with FAR 8.404(d).

This Delivery Order will be placed against Strategic Operations GSA Contract GS-07F-5527P in accordance with FAR 8.404, "Use of Federal Supply Schedules." The Contracting Officer (CO) conducted a price analysis on their quote and below are the results:

- All lodging expenses, mileage, air, vehicles and fuel charges were in line with the GSA per diem rates for zip code [REDACTED]
- All airfare expenses were verified via commercial travel sites
- Strategic Operations is offering a 4.3% discount from their GSA Schedule for each of the three designs (Chicago, Arizona and Fishbowl)
- Strategic Operations offered a 4.4% discount off their GSA Schedule labor rates for each labor category proposed
- The prices for the CONEX boxes (non-GSA) were verified through the commercial marketplace and prices were in-line for similar sizes (20ft and 40ft)

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.

OFTP performed market research to identify appropriate vendors including: (1) internet searches of manufacturer's websites and (2) communication with our law enforcement and military counterparts and (3) site visits to law enforcement, military and corporate Training facilities. Market research identified only one vendor, Strategic Operations, that could provide the "hyper-realistic" models but the CO still chose to issue an Request for Information (RFI) to validate the initial market research findings.

An RFI was posted on FBO and eleven (11) vendors submitted responses. Of the eleven responses received, Strategic Operations was the only vendor that met all OFTP requirements

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(see Section 4- Rationale). With the exception of Strategic Operations, no other vendor demonstrated the capability to provide the hyper-realism training buildings.

7. Any other facts supporting the limited-sources justification. Additional facts may be stated in this section. If there are no additional facts, you must state that here.

As of August 31, 2010, Strategic Operations owns the Patent to the term “HYPER REALISTIC” from the United States Patent and Trademark Office (Reg. No. 3,840,050). The Trademark details the following for the term- For: Training services in the field of urban warfare; providing urban-simulated facilities for educational training, namely, military training; Preparation for others of operational specific urban combat training scenarios provided in connection with urban warfare training services; And Preparation for others of special effects including weapons special effects, namely, rocket-propelled grenades, mines, improvised devices, lighting, smoke, noise, explosions, and combat wounds, for use in military training, in Class 41 (U.S. CLS. 100, 101 and 107).

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

A Blanket Purchase Agreement (BPA) vehicle will be competed among GSA Federal Supply Schedule holders for additional training buildings and interior/exterior outfitting in the first quarter of Fiscal Year 20. OFTP plans to expand the [REDACTED] to include up to [REDACTED] and add additional U.S. city layouts and designs. OFTP may consider other options besides the Hyper-Realistic specification in the future. Pursuant to FAR 8.405-6(a)(2), ICE will post this notice within 14 days after placing the Delivery Order.

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10. Technical/Requirements Personnel Certification:

I certify that this requirement meets the Government's minimum need and that the supporting data, which form a basis for the Limited-Sources Justification, are accurate and complete:

Mission Support- OFTP

Date

11. Contracting Officer Certification and/or Approval:

I certify that the Limited-Sources Justification is accurate and complete to the best of my knowledge and belief:

Contracting Officer- MS ORL

Date

12. Approval:

Procuring Activity Advocate for Competition

Date
