



UNITED STATES MARINE CORPS
MARINE CORPS INSTALLATIONS COMMAND
3000 MARINE CORPS PENTAGON
WASHINGTON, DC 20350-3000

IN REPLY REFER TO:
4200
MCICOM-JA-19-004
24 June 2019

**JUSTIFICATION AND APPROVAL FOR
USE OF OTHER THAN FULL AND OPEN COMPETITION**

1. Identification of the Contracting Activity and the Requiring Agency.

Contracting Activity - Marine Corps Installations Command (MCICOM) HQ Contracting - Arlington, VA

Requiring Activity – Marine Corps Installations Command (MCICOM) HQ G7 Modernization and Development Directorate – Arlington VA

2. Nature and/or Description of the Action Being Approved.

The action being approved is the award of Contract M95494-19-C-0012 to Anduril Industries, Inc. on an other than full and open competition basis for autonomous surveillance counter intrusion capabilities to be provided at four (4) Marine Corps Installations:

Marine Corps Base Butler – Camp Schwab, Japan
Marine Corps Base Hawaii (to include Camp Smith)
Marine Corps Air Station Yuma, Arizona (to include R-2301W)
Marine Corps Air Station Iwakuni, Japan

The period of performance will include an approximate 75-day phase-in period followed by a one (1) year base period estimated to be 20 September 2019 – 19 September 2020 with a one (1) year option period.

3. Description of the Supplies/Services Required to Meet the Agency's Needs (Including estimated value).

Commander, MCICOM (COMMCICOM), as the single authority on all Marine Corps Installations matters, has identified protection as a top priority. [REDACTED]

[REDACTED] Therefore, in support of securing our installations against all manner of intrusion, MCICOM has identified a requirement for an autonomous surveillance counter intrusion capability. MCICOM is seeking a counter intrusion capability that provides 24/7/365 autonomous situational awareness and actionable, real-time intelligence of surrounding air, land, and sea, through all-weather conditions. The system used to provide this capability shall autonomously detect and classify objects as humans on foot, wheeled and tracked vehicles on land, surface swimmers, and surface vessels and boats, and alert operators of such objects within operator parameters. It must be a scalable federated network of sensors (EO/IR/RADAR) with capacity to expand into acoustic, seismic, and other sensors that operate across the electromagnetic spectrum. Communications must be via encrypted mesh networking and adaptable to existing Marine Corps programs of record radios. It must be mobile and self-sustaining. User interface must be simple and easily integrated into current mobile device technology. MCICOM is seeking adequate quantities of autonomous systems to cover surveillance of four (4) USMC locations in order to increase force protection without the need for additional manpower. This capability will enhance existing and relevant force protection, law enforcement, security, and information sharing systems of record by integrating

existing data streams with new ones to provide improved situational awareness to ongoing installation protection operations and enterprise support.

This contract will be a limited objective assessment (LOA) to evaluate the effectiveness of the Contractor's technology and the overall integration required to create an expanded and virtual "digital fortress," exceeding the capabilities of conventional perimeter physical security measures.

The phase-in period and base period of performance will be executed with FY19 Marine Corps Operation and Maintenance (O&M) funds, estimated to be between [REDACTED]. The total estimated value of this contract including all options is [REDACTED].

4. Identification of the statutory authority permitting other than full and open competition

Under the authority of 10 U.S.C. 2304(c)(1), award will be made on the basis of other than full and open competition pursuant to FAR Part 6.302-1, only one responsible source and no other supplies or services will satisfy agency requirements.

5. Demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the limited source.

At this time, Anduril is the only known vendor with a fully integrated system at the appropriate technology readiness level (TRL) to fulfill the requirement (as described in Section 3 above) of an autonomous surveillance counter intrusion system that provides 24/7/365 autonomous situational awareness and actionable, real-time intelligence of surrounding air, land, and sea, through all-weather conditions that detects and classifies objects as humans on foot, wheeled and tracked vehicles on land, surface swimmers, and surface vessels and boats, and alert operators of such objects within operator parameters. Anduril offers an end-to-end, fully unmanned, counter-intrusion solution that is 24/7 operational; fully mobile and infrastructure independent; operated through a single, intuitive user interface compatible with standard laptops, mobile devices and data formats; and rapidly deployable. Rather than purchasing the actual equipment as a permanent investment, Anduril Industries will fulfill this requirement of an autonomous surveillance counter intrusion capability by providing their Lattice Platform, Sentry Towers and accompanying technology as a "capability-as-a-service" type contract to include the provision, shipping, installation, and system integration and maintenance of material and support equipment, as well as training for government personnel to operate the system, and provide this capability-as-a-service for the Marine Corps for the contract's period of performance. This will allow MCICOM to evaluate the effectiveness of Anduril's Technology and the overall integration required to create an expanded and virtual "digital fortress" without having to invest significant funding and resources into procuring a new system on behalf of the Marine Corps in an area where technology is continuously evolving and improving.

Through extensive market research, the requiring agency researched and reviewed capabilities of other vendors, and found that while some vendors offered products/services that performed some element of the overall requirement, none could perform all of the tasks autonomously. MCICOM would need to contract additional engineering support to integrate these disparate systems and capabilities to get to a partially workable end-solution, which would significantly increase the price in comparison to what Anduril already offers, while at the same time providing a less effective solution for the Marine Corps. Anduril's system leverages existing security and law enforcement forces, with no growth, to increase their mission effectiveness and efficiency through economy of force – reduced need for roving patrols and additional security systems. To achieve the equivalent physical security posture, it would cost between \$10k-\$60k per linear foot of physical barrier, equipped with a variety of sensors and communications infrastructure to provide the same coverage. Therefore it does not make sense from a fiscal perspective to fulfill this requirement with a physical security solution.

Based upon the market research conducted and described herein, Anduril is the only known source that offers a solution to MCICOM's requirement with already developed technology, offered as a service, that performs all of the government's requirements autonomously.

6. A description of efforts made to ensure that offers are solicited from as many potential sources as is practicable, including whether a notice was or will be publicized as required by subpart 5.2.

MCICOM G7 has conducted extensive market research through online searches, first person meetings, and product demonstrations; evaluating costs of individual systems and estimating costs of non-recurring engineering necessary to integrate disparate systems. Additional research was accomplished through coordination with other agencies such as Customs and Border Protection, who have conducted real world evaluation of the Anduril technology. Section 8 below describes in more detail the market research conducted including soliciting other sources.

7. Determination by the contracting officer that the anticipated cost to the Government will be fair and reasonable.

The Contracting Officer has determined that the anticipated cost to the Government of the service covered by this Justification will be fair and reasonable. The fair and reasonableness of prices will be based on an analysis of the contractor's price proposal, to published price lists, to prices obtained through market research for the same/similar items, and to the independent government cost estimate. It is anticipated this analysis will be conducted using experienced technical representative, contract specialist, and field pricing support as needed.

8. Description of Market Research Conducted and the Results.

The requirements sponsor (MCICOM G7) conducted extensive market research on this requirement and the capabilities that exist in the current marketplace both commercially-available and within the Government. The G7 reviewed existing systems and capabilities within the Marine Corps (i.e., physical barriers and existing workforce) to determine if the requirements can be met; they reviewed existing contracts and ongoing efforts by SPAWAR, NAVFAC's Engineering and Expeditionary Warfare Center (EXWC), US Army University Affiliated Research Centers (UARC) and Georgia Tech Research Institute (GTRI); they reviewed contracts that Customs and Border Protection (CBP) has for counter-intrusion capabilities; and they attended numerous tradeshow and product demonstrations (i.e., CED, Modern Day Marine, Association for Unmanned Vehicle Systems International (AUVSI), WEST/AFCEA). MCICOM also conducted multiple symposia/outreach sessions soliciting submissions and recommendations from industry related to this requirement (i.e., "Base of the Future" in Albany, GA held in November 2017 and "Installation neXt" at MCB Quantico held in September 2018). Additionally, MCICOM, in coordination with Marine Corps Warfighting Lab (MCWL), explored a variety of potential technologies and vendors (during January 2018-January 2019) and found that while there are other vendors who can similarly perform one or multiple tasks related to the requirement, none could perform all the tasks autonomously except for Anduril Industries. The amount of resources required to integrate the disparate systems would significantly increase the price in comparison to what Anduril offers, while providing a less effective solution. Some companies found who offered these partial capabilities are: [REDACTED]

[REDACTED] Each of these vendors offered solutions for one aspect of the intrusion dilemma.

MCICOM Contracting posted a synopsis notice on Federal Business Opportunities (FBO) on 12 March 2019 in which MCICOM described the requirement, our intent to sole source a contract to Anduril Industries, Inc for Autonomous Surveillance Counter Intrusion Capability, and offered responsible

sources the opportunity to submit capability statements to be considered by the agency. Two (2) vendors responded to this notice: [REDACTED]. [REDACTED] is a small business that specializes in the design, integration, installation and maintenance of security systems. They did not offer a solution or capability to meet MCICOM's requirements but rather offered their services of installation services to assist in product deployment and ongoing servicing for Anduril in the future. [REDACTED] submitted information on their company's radar systems. The information provided by [REDACTED] was reviewed by the G7 to determine whether it would meet MCICOM's requirements. It was determined that their solution would not meet MCICOM's current needs. G7 found that [REDACTED] predominately focuses on small UAS flight management and tracking and counter UAS detection rather than detecting people, vehicles, vessels or aircraft, which is the primary requirement for MCICOM. Overall, their company offers only partial capabilities that do not fully meet the intent of MCICOM's requirements and would require a significant amount of non-recurring engineering and integration work with additional resources to implement, which would be costly. They do not offer a full-service capability, which meets MCICOM's requirements, like that of Anduril's.

9. A listing of the sources, if any, that expressed, in writing, an interest in the acquisition.

Two (2) vendors expressed interest in this acquisition in response to the synopsis notice posted on FBO on 12 March 2019: [REDACTED]. Section 8 above discussed their responses in further detail.

10. Actions to Remove Barriers to Future Competition.

This sole source contract award will be a Limited Objective Assessment (LOA) with the objective to evaluate the effectiveness of Anduril's Technology and the overall integration required to create an expanded and virtual "digital fortress", exceeding the capabilities of conventional perimeter physical security measures. MCICOM has not closed or eliminated options for future competition of future contracts to other vendors for competing capabilities. At this time, Anduril Industries is the only vendor capable of providing a complete capability to meet identified requirements. However, MCICOM remains open to other vendors in the future if they are able to demonstrate they can provide a comparable capability at a comparable price point.

CERTIFICATIONS AND APPROVAL

Technical/Requirements Certification

I certify that the facts and representations under my cognizance, which are included in this Justification and its supporting acquisition planning documents are complete and accurate to the best of my knowledge and belief.

[Redacted]

Review For Legal Sufficiency:

[Redacted]

Contracting Officer Certification

I certify that this Justification is accurate and complete to the best of my knowledge and belief.

[Redacted]

Command Competition Advocate Approval *(if over \$700K)*

[Redacted]