



DEPARTMENT OF THE NAVY  
SPACE AND NAVAL WARFARE SYSTEMS COMMAND  
4301 PACIFIC HIGHWAY  
SAN DIEGO, CA 92110-3127

IN REPLY REFER TO:  
LSJ No. 18-0285  
Originator's Code: 55350

LIMITED SOURCES JUSTIFICATION (LSJ)  
FOR PALANTIR TECHNOLOGIES PRODUCTS AND  
DETERMINATION AND FINDINGS  
TO AWARD A SINGLE-AWARD BLANKET PURCHASE AGREEMENT  
UNDER A FEDERAL SUPPLY SCHEDULE

1. Identification of the Agency and Contracting Activity.

Department of the Navy (DON)  
SPAWAR SYSTEMS CENTER PACIFIC (SSC PAC)  
Contracts Code 22550  
53560 Hull Street  
San Diego, CA 92152-5001

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

This acquisition is conducted under the authority of the Multiple Award Schedule Program under Title III of the Federal Property and Administrative Services Act of 1949. This justification is to seek approval for the use of limited sources under Federal Acquisition Regulation (FAR) Part 8.405-6 Limiting Sources. The proposed action is to use limited sources to procure Palantir Technologies (Palantir) Commercial off the Shelf (COTS) hardware, software, and services (HS&S) on behalf of the Department of Defense (DoD) Enterprise Software Initiative (ESI).

The proposed contractual action will be the non-competitive award of a single-award DoD ESI Blanket Purchase Agreement (BPA) for brand-name Palantir products. Palantir is the sole seller of their software and services under the General Services Administration (GSA) Federal Supply Schedule (FSS). The scope of ordering for this DoD ESI BPA will provide Palantir COTS HS&S to meet the needs of the entire DoD, Intelligence Community\*, and U.S. Coast Guard.

In the post-award phase, orders will be placed with the BPA holder by warranted contracting officers and purchase card holders. This

\*The Intelligence Community is a federation of executive branch intelligence agencies and organizations that are comprised of 16 member organizations (<https://www.dni.gov/index.php/what-we-do/members-of-the-ic>)

action will assist the DoD in further reducing the Total Cost of Ownership for all DoD programs and organizations that have Palantir requirements. The estimated value of this LSJ is \$143.8 million.

The proposed strategy secures licensing at discounts below GSA preset prices and incorporates terms and conditions in compliance with DoD ESI best practices.

### 3. Description of Supplies/Services.

The proposed action is to non-competitively award a single BPA for Palantir brand name COTS HS&S with a one-year base period and four, one-year option periods. Palantir COTS HS&S are required by the DoD and Intelligence Community to support the Warfighter and the mission by reducing costs while continuing to support licenses already owned by the DoD.

This DoD ESI Palantir BPA will provide a catalog of product offerings that meet the requirements of DoD customers or stakeholders. The DoD commonly utilizes Palantir COTS HS&S in several areas comprised of data integration, data management and analysis. Palantir products provide Cybersecurity, Big Data Analytics, Collaboration, Enterprise Management, and Business Intelligence. Products offered through this DoD ESI Agreement will meet the functional requirements and capabilities shown in the Table 1.0 below.

Table 1.0 Product Offerings

| Functional Categories                          | Description   |
|--|---|
| Data Integration, Data Management and Analysis | Fuses data from all forms into a single coherent model. Data flows into the Palantir platform and is transformed into meaningfully defined objects and relationships: people, places, things, events and the connections between them. Includes software license, software maintenance, training, and professional services |
| Technology                                     | Provides Cybersecurity, Big Data Analytics, Collaboration, Enterprise Management, and Business Intelligence   |

The estimated value of the proposed BPA is \$143.8 million. The Independent Government Cost Estimate (IGCE) was developed utilizing

The estimated value of the proposed BPA is \$143.8 million. The Independent Government Cost Estimate (IGCE) was developed utilizing historical requirements from Federal Procurement Data System - Next Generation (FPDS-NG) reports and verified against sales reports provided by Palantir. Table 2.1 contains the projected future costs for new licenses and renewals for fiscal years 2018 thru 2022.

Table 2.1 Projected future costs

| (\$ Millions)         | FY18 | FY19 | FY20 | FY21 | FY22 | Total   |
|-----------------------|------|------|------|------|------|---------|
| Total Estimated Spend |      |      |      |      |      | \$143.8 |

4. Identification of Justification Rationale.

The authority is FAR Subpart 8.405-6(b) - "Items peculiar to one manufacturer."

Palantir is the sole owner of its Intellectual Property (IP) inclusive of its software source code. This makes Palantir the sole source of its HS&S products running on DoD networks. Palantir is also the sole author/owner of its computer software documentation, End User License Agreement(s), and associated IP terms and conditions.

5. Determination of Best Value.

This single-award BPA will be established using the procedures outlined in FAR 8.405-3. Best value will be determined on the basis of discounts off of the original equipment manufacturer's (OEM) GSA schedule and consent to the BPA terms and conditions per FAR 8.405-3(a)(2). Best value at the order level will be the responsibility of the Ordering Office. When determining best value at the order level, all DoD Contracting Officers will be required to comply with DPAP Class Deviation 2014-00011, entitled "Determination of Fair and Reasonable Prices When Using Federal Supply Schedule Contracts." See: <http://www.acq.osd.mil/dpap/policy/policyvault/USA001004-14-DPAP.pdf>

Based on the information provided herein, the Contracting Officer has determined that the proposed action is in the best interest of the Government and will allow the BPA to be established on the basis

## 6. Description of Market Research Conducted.

It is common practice for software OEMs to sell their products and services to DoD through a network of resellers as their prime contractors. This authorization to sell takes the form of a "Letter of Supply" drafted by the OEM and given to the reseller. Market research was conducted by requesting a complete list of Palantir's authorized "Letter of Supply" contract holders. Palantir informed SSC PAC that it does not use a distribution network to sell its product and services because it sells directly to DoD. Palantir is the sole provider of its products under GSA Schedule 70. Therefore, SSC PAC has determined that there is not a reasonable expectation of competition from at least three vendors per FAR 8.405-3(b)(1)(ii)(B)(2). As such, FAR 8.405-3(b)(1)(ii)(D) waiver conditions apply.

## 7. Other Facts Supporting the Justification.

- Per DFARS 208.7402, departments and agencies shall fulfill requirements for commercial software and related services, such as software maintenance, in accordance with DoD ESI (see website at <http://www.esi.mil/>). The BPA resulting from this acquisition will be added to the list of DOD ESI Enterprise Software Agreements (ESAs).
- The DoD CIO has identified DoD ESI Enterprise Software Agreements as a key tool in achieving compliance with the Federal Information Technology Acquisition Reform Act (FITARA) as outlined in OMB Memorandum M-15-14: Management and Oversight of Federal Information Technology.
- In accordance with OMB Memorandum "Category Management Policy 16-1: Improving the Acquisition and Management of Common Information Technology: Software Licensing" dated 2 June 2016, DOD ESI Enterprise Software Agreements are a tool in achieving the goals of the federal-wide Enterprise Software Category Team (ESCT). See:  
[https://obamawhitehouse.archives.gov/sites/default/files/omb/memoranda/2016/m-16-12\\_1.pdf](https://obamawhitehouse.archives.gov/sites/default/files/omb/memoranda/2016/m-16-12_1.pdf)
- By utilizing the buying power of the DoD, DoD ESI ESAs have historically secured discounts below FSS prices. In addition, including DoD unique terms and conditions at the BPA level ensures consistency across DoD orders and avoids the effort to

insert/administer DoD-common terms and conditions on each order.

#### 8. Actions to Remove Barriers to Future Competition.

SSC Pacific does not anticipate taking take any actions to remove the requirement for establishing future DoD ESI Enterprise Software Agreements on a brand name basis for the reasons outlined in Section 4. Furthermore, DFARS 208.7402(1) states "[DoD] ESI does not dictate the products or services to be acquired." Therefore, it is the responsibility of the end-users utilizing Palantir products in their systems to promote competition for their specific requirements. The purpose of the proposed BPA is to provide DoD customers a vehicle that includes enhanced licensing terms and conditions and discounted pricing when DoD customers can support the need for Palantir products and services.

Individual orders placed against the resulting BPA must be supported by a Limited Source Justification in accordance with FAR 8.405-6(b)(2)(iii), which states "... the justification for a brand-name item is required at the order level when a justification for the brand-name item was not completed for the BPA or does not adequately cover the requirements in the order."

DoD ESI is continually engaged in identifying OEMs that provide significant volumes of COTS IT solutions to DoD systems and networks to identify additional candidates for future Enterprise Software Agreements. The goal of these ESAs is to improve pricing, and terms and conditions for the development of additional contracts, orders, and Enterprise License Agreements (ELAs) at the command and component levels.

#### 9. Determination and Findings to Award a Single-Award Blanket Purchase Agreement under the Federal Supply Schedule.

In accordance with FAR Subpart 8.405-3(a)(3)(ii)(B), this BPA will provide only for firm-fixed price orders for products with unit prices established in the BPA. The unit prices will be discounts from the established GSA schedule prices. Additionally, in accordance with FAR Subpart 8.405-3(a)(3)(ii)(C), only one source is qualified and capable of performing the work at a reasonable price to the Government as Palantir is the sole owner of its Intellectual Property inclusive of its software source code, computer software documentation, End User License Agreement, associated IP terms and

conditions, and is the only authorized federal seller of its products through its own GSA schedule.

**CERTIFICATIONS AND APPROVAL**

**TECHNICAL/REQUIREMENTS CERTIFICATION:**

I certify the facts and representation under my cognizance, which are included in this justification and its supporting acquisition planning documents, except as noted herein, are complete and accurate.

[Redacted Signature]

6/29/18

Date

Enterprise Communications & Networks Division Head, Code 55300  
Phone (619) 553-6715

**REQUIREMENTS COGNIZANCE:**

[Redacted Signature]

7/10/18

Date

Communications and Networks Department Head, Code 55000  
Phone (619) 553-3800

**REVIEW FOR LEGAL SUFFICIENCY:**

I have determined this justification is legally sufficient.

[Redacted Signature]

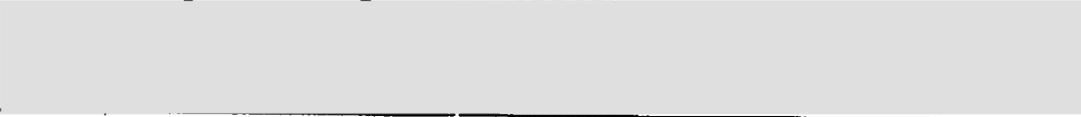
7/12/18

Date

Associate Counsel, Code 35100  
Phone 619-553-4703

**CONTRACTING OFFICER CERTIFICATION:**

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

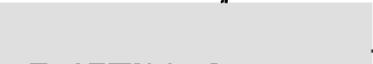


David W Jenkins  
Contracting Officer  
SPAWAR Systems Center Pacific, Code 22550  
Phone: (619) 553-6588

Date

**SENIOR PROCUREMENT EXECUTIVE APPROVAL:**

Upon the basis of the above justifications, I hereby approve, as Senior Procurement Executive of the Navy, the solicitation of the proposed procurement described herein using a Single-Award Blanket Purchase Agreement and Limiting Sources, pursuant to the authority of Federal Acquisition Regulation (FAR) 8.401 Multiple Award Schedule (MAS) Program, pursuant to the authority of Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. § 251, et seq) and 40 USC § 501, Services for Executive Agencies.



James F. Geurts

Date: 9 OCT 18

\*ALL QUESTIONS REGARDING THIS DOCUMENT ARE TO BE REFERRED TO William Huber, Contract Specialist, SPAWAR SYSTEMS CENTER PACIFIC, PHONE: (717)704-7280, EMAIL: William.huber@navy.mil