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NATIONAL RECONNAISSANCE OFFICE

(u) **Contract Review Panel (CRP)
Modification Action**

(u) ***EnhancedView Follow-On Extension
and SecOps Modernization***

(u) ***NRO000-18-C-0284***

(u) ***DigitalGlobe***

**GEOINT/CSPO
5 September 2018**

Presented to: James C. Marson, Director, OC

25-Years Non-Satellite related classified information



Contracting Officer:

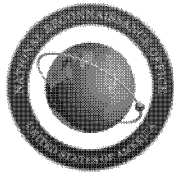
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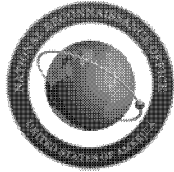


(U) Agenda

- (U) Purpose
 - (U) Approval Levels
 - (U) Acquisition Background
 - (U) Modification Information
 - (U) Summary of Change
 - (U) Other Considerations
-
- (U) Price Reasonableness
 - (U) Acquisition Schedule
 - (U) Decision
 - (U) Backup
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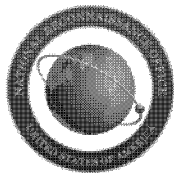


(U) Purpose

- (U) Seeking D/OC approval to release an RFP to DigitalGlobe (DG) for a 3-year extension for EnhancedView Follow-On (EVFO) and the Secure Operations (SecOps) [redacted] modernization task. (b)(3)
 - (U) This acquisition is for a contract modification that increases the current contract value (including options) by an estimated [redacted] for an estimated new contract value of [redacted]. (b)(3)
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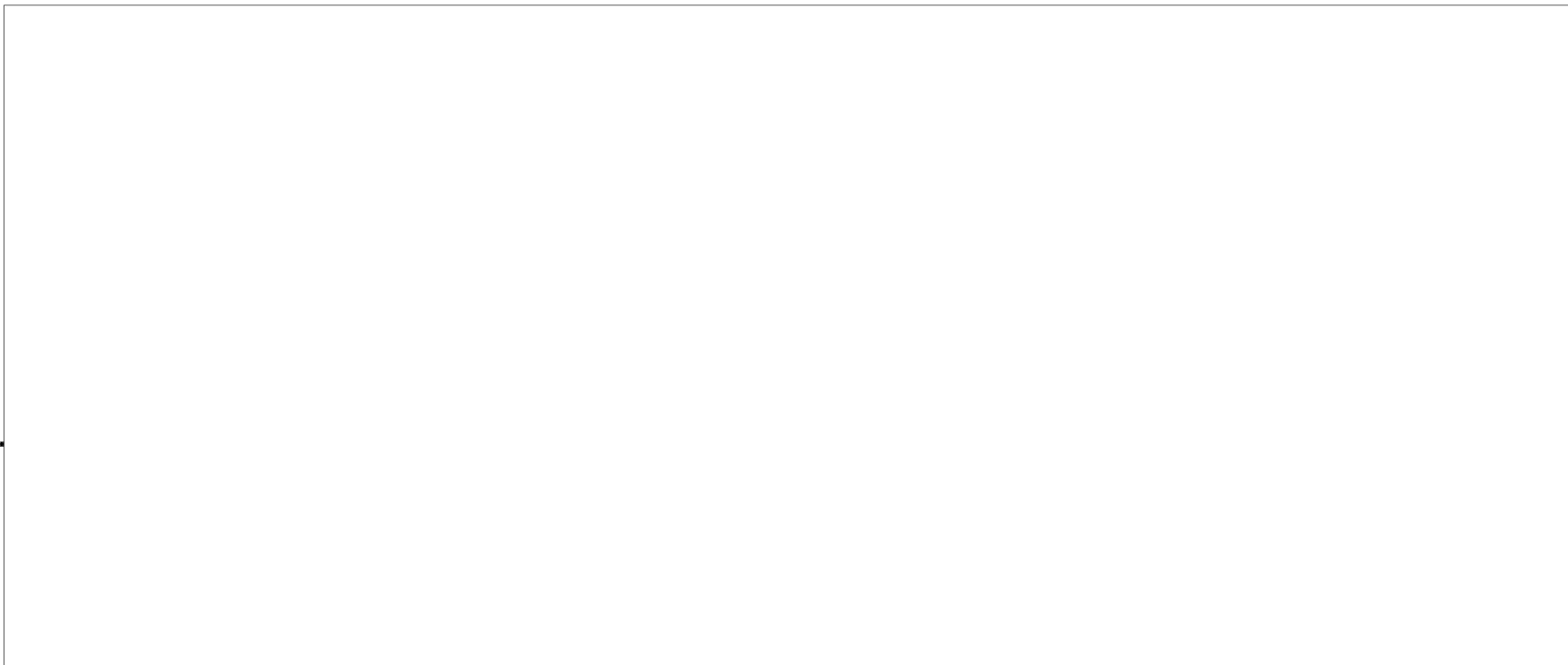
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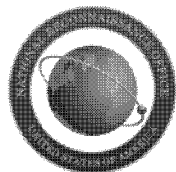


(U) Approval Levels

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(U) Acquisition Background (Preceding Efforts)

- (U) Current Contract Scope: Contractor provides commercial imagery under a Service Level Agreement (SLA) in support of GEOINT mission requirements through 2020
- (U) Original Acquisition Type: Administrative contract transfer from NGA (HM0210-13-C-N002) to NRO (NRO000-18-C-0284). Contract was awarded to DigitalGlobe as a result of a NGA competition.
- (U) Current Contract Summary

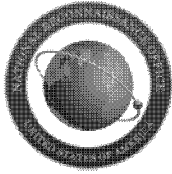
-
- Prime Contractor: DigitalGlobe
 - Major Subs: N/A
 - Current Performance: Under NGA contract management, Contractor has consistently met all performance metrics. As a result, there has been no lost FFP Incentive since contract award. NRO contract management shall begin on 1 Sept 2018.

(U) Summary of Stakeholders Impacted by Existing Contract

- EV provides of the imagery for Foundation GEOINT products

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(U) Modification Scope

- ~~(S//NF)~~ Scope of Modification/Change: Continue to procure commercial imagery under a Service Level Agreement (SLA) in support of GEOINT mission requirements through 2023.

[Redacted]

[Redacted]

(b)(1)
(b)(3)

- (U) Description of Risks: Schedule, Funding, and Contract and Data Rights Negotiation, lack of Congressional funding to satisfy requirements

- (U) Summary of Stakeholders Impacted By New Requirement

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- EV provides [Redacted] of the imagery for Foundation GEOINT products [Redacted]

[Redacted]

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(U) Modification Scope

- (U) Summary of J&A
- (U//FOUO) Sourcing Strategy Recommendation: Sole Source

[Redacted]

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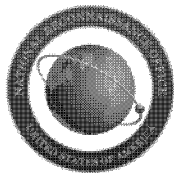
- NGA paid a fixed price of [Redacted] for the stand-up of [Redacted]
[Redacted]

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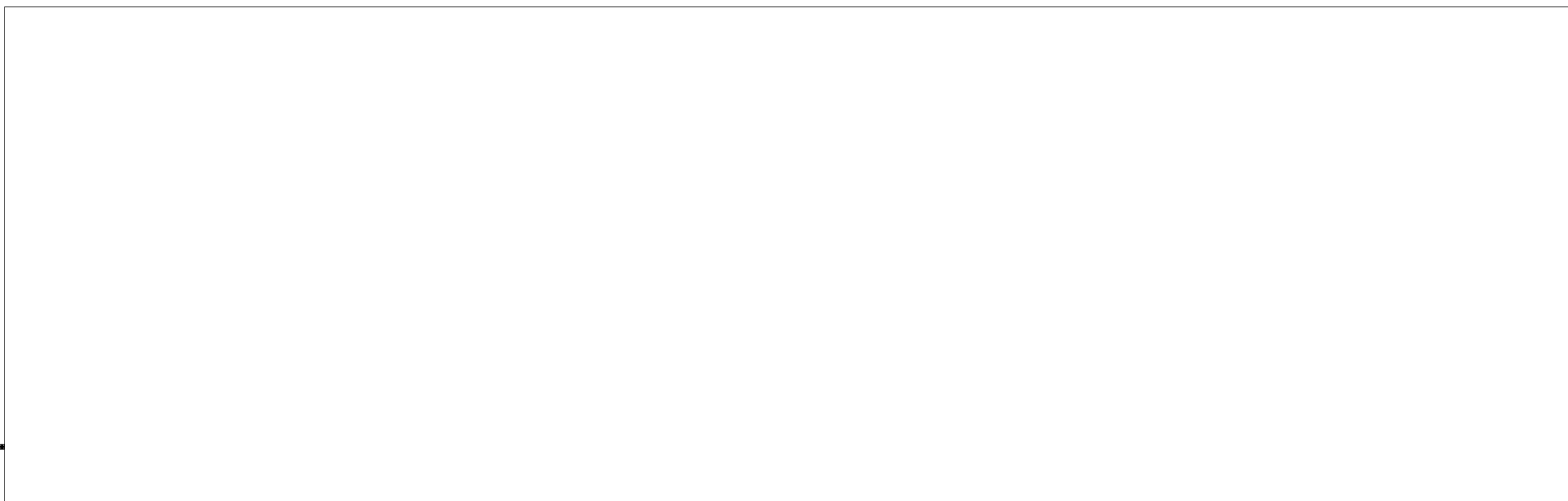
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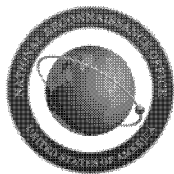
(U) Modification Scope

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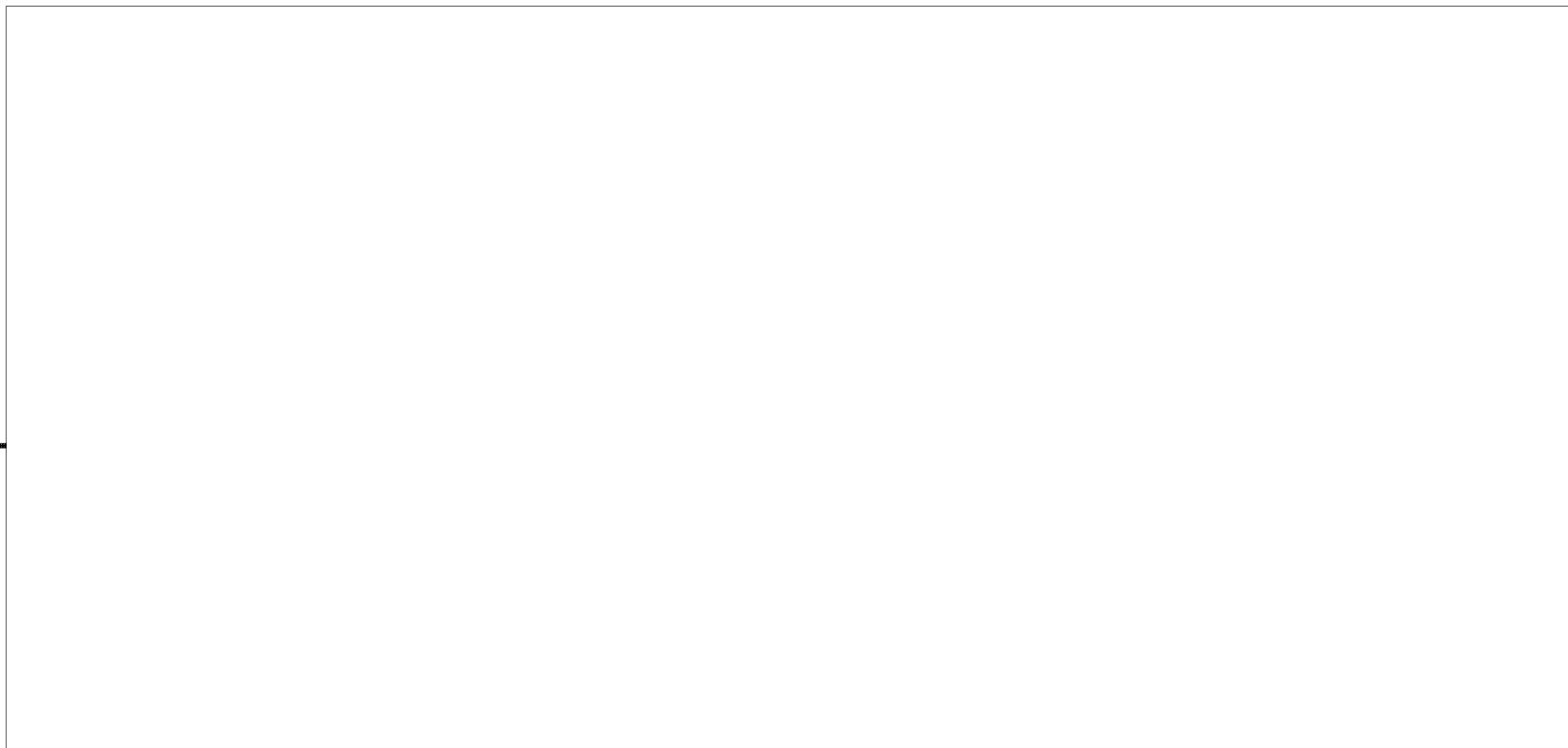


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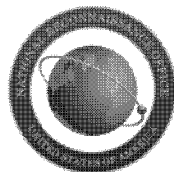
(U) Modification Scope



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(U) Modification Impact

- (U) Summary of Modification Impact
- ~~(U//FOUO)~~ CLIN Structure
 - CLIN 0001: Commercial Satellite Imagery - Service Level Agreements for Pixel and Imagery Acquisition/Operations (FFP) - \$300M/year estimate
 - CLIN 0002: Commercial Satellite Imagery System Engineering Services Support (Task Order FFP) - /year estimate (b)(3)
 - (New) CLIN 0003: SecOps Modernization (FFP) - Total estimate (b)(3)

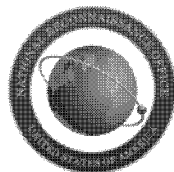
- ~~Changes to Ts & Cs: No change~~
- Changes to PoP:
 - CLIN 0001AC/0002AC Option Year 2: 1 Sept 2020 – 31 Aug 2021
 - CLIN 0001AD/0002AD Option Year 3: 1 Sept 2021 – 31 Aug 2022
 - CLIN 0001AE/0002AE Option Year 4: 1 Sept 2022 – 31 Aug 2023
 - CLIN 0003 SecOps Modernization: ATP – 31 Aug 2020

- Change to Inherently Governmental determination: No Change (not Inherently Governmental)

- ~~(U//FOUO)~~ Subcontractor Usage: No major subcontractors

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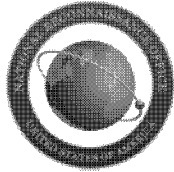
(U) Modification Impact

- (U) [redacted] : (b)(3)
- DigitalGlobe provided a [redacted] on 29 August 2018 of [redacted] for the SecOps Modernization task.
- Authority to proceed was granted to DigitalGlobe for this task on 29 August 2018. A [redacted] was then executed with a not to exceed value of [redacted]. This value represents [redacted] of the DigitalGlobe [redacted] estimate of [redacted]. (b)(3)
- This [redacted] provided incremental funding of [redacted]. (b)(3)
- The notional definitization schedule for this [redacted] is as follows: (b)(3)

• Request for Proposal (RFP):	14 Sept 2018
• Proposal receipt:	1 Oct 2018
• Evaluation of proposal:	1 Oct 2018 – 15 Oct 2018
• Negotiations:	16 Oct 2018 – 31 Oct 2018
• Definitization:	31 Oct 2018

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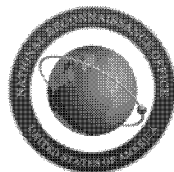


(U) Modification Impact

- (U) Organizational Conflict of Interest :
 - No Change
 - OCI Determination states that this effort is free of actual or potential OCI.
 - The type and quality of imagery provided by DG via the EV contract is commercially available. There are no drawings, specifications, reports, plans, or data collection to be conducted in support of policy development, decision-making, management, or administration. Based on this, there are no actions or relations that can give rise to OCI. Any technical development, analysis or studies performed under this contract will have no impact on other technology development efforts for which the Contractor may compete.
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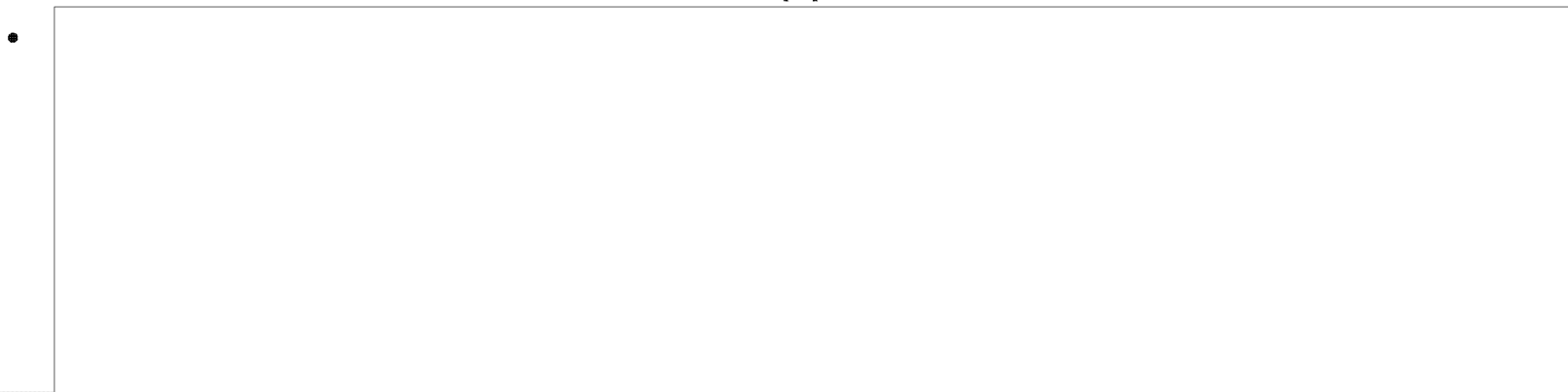
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(U) Modification Impact

- (U) Waivers, Deviations, or D/OC Approvals:



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- (U) CDRLs (15):

- CLIN 0001 (SLA): No change - PMR Slides, Meeting Minutes, Daily Operation Capability Report, Promote Synopsis, Lifecycle Security Program Protection Plan, Security Standard Operating Procedures, Security Migration Plan, Calibration Data for Multispectral and Panchromatic Sensors, Imagery Acquisition Quality Plan

- CLIN 0002 (Task Order): No change - Request for Change Impact Assessments, Cost Assessments, Problem Reports, Discrepancy Reports, Enhancement Reports, Analysis and Studies Plans and Reports

- CLIN 0003 (SecOps Modernization): Added content in PMR Slides , Software Development Plan (New)

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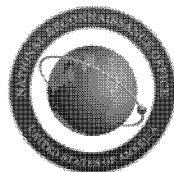


(U) Modification Impact

- (U) Unique Characteristics or Terms and Conditions:

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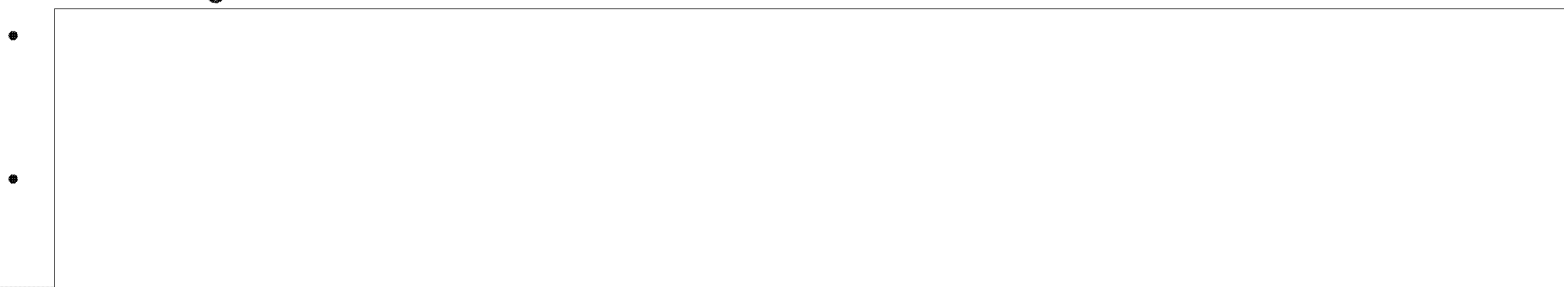
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(U) Modification Impact

- ~~(U//FOUO)~~ Summary of Subcontract Management and Monitoring Strategy

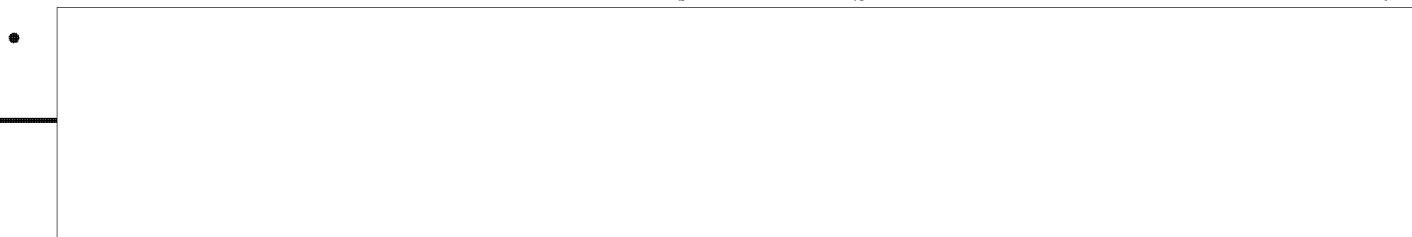
- No change



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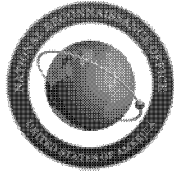
- (U) Data Rights Strategy:

- No change - The contractor is not asserting rights to CDRLs. The contractor asserts that the NextView Imagery End User License Agreement is in effect based on the 2003 NextView negotiation (precursor to EnhancedView).



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Summary of Change and Funding

† (u) **Contract Value Change Summary:**

	Base Period	Option 1	Option 2	Option 3	Option 4	TOTAL
	PoP	PoP	PoP	PoP	PoP	
Current Contract:	\$300.0M					
Change Estimate:						
New Anticipated Total:						

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† (u) **Funding Summary:**

	FY18	FY19	FY20	FY21	FY22	FY23	TOTAL
MIP:							
NIP:							
Total:							

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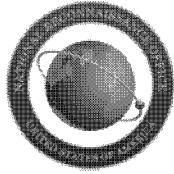
† (u) **Method for Estimate: Historicals, Contractor provided price estimate**

† (u) **Funding Issues: Any shortfall in FY20-23 will be covered by funding**

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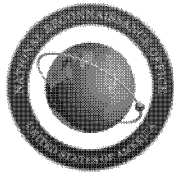


(U) Other Considerations

- (U) Peer Review Results – TBD
-
-
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(U) Other Considerations

- (U) External Considerations
 - Congressional interest
 - Consistent with DNI direction to have NRO assume responsibility for commercial imagery procurement and enable full integration into enterprise architecture

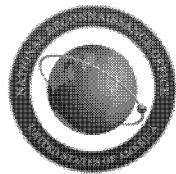
- (U) Concerns/Issues
 - N/A

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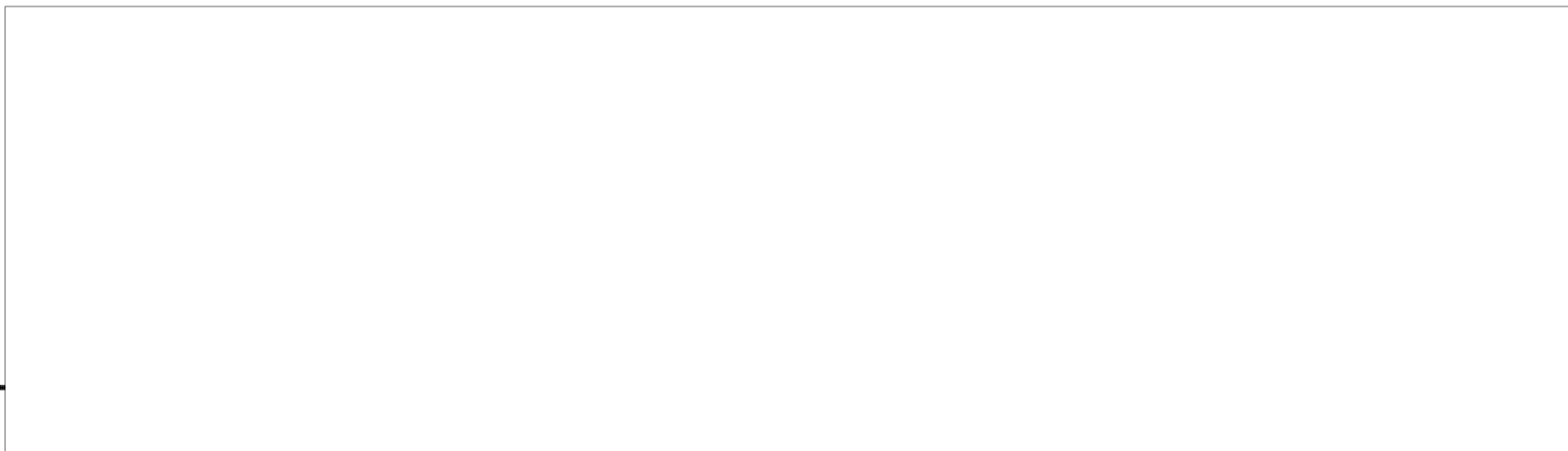
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- (U) Earned Value Management:
 - Not used due to the commercial nature of the acquisition
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(U) **Price Reasonableness:
Overall Approach**



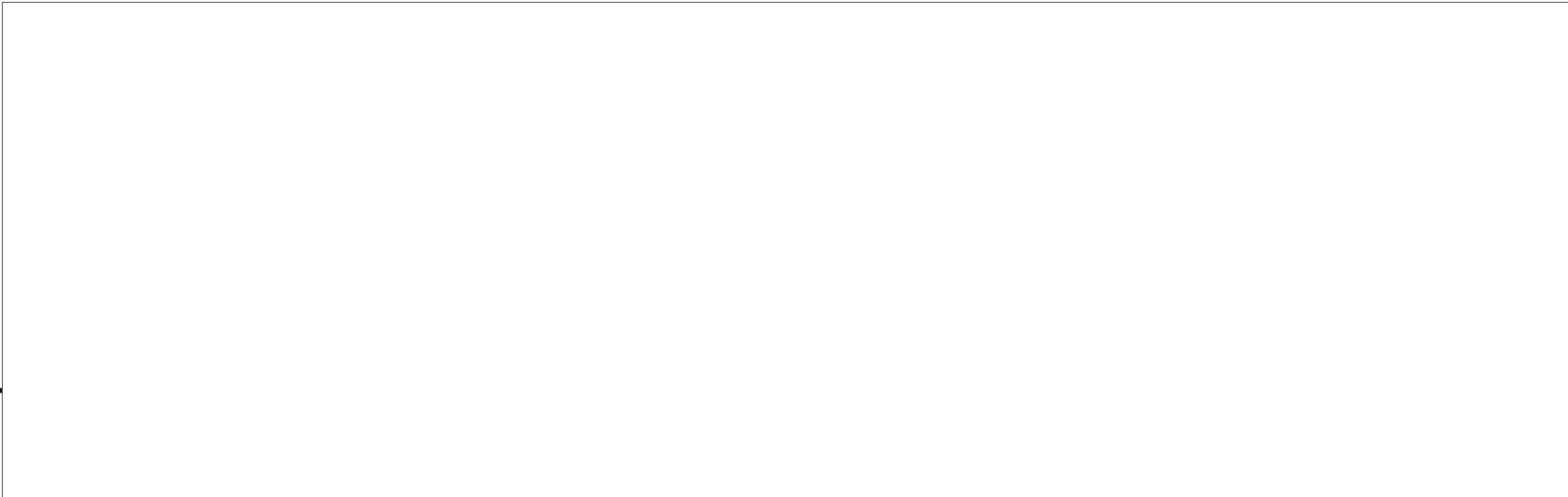
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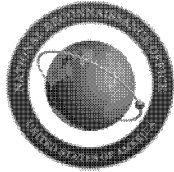


(U) **Price Reasonableness:
Overall Approach**



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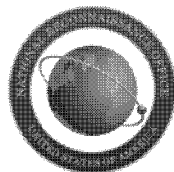
(U) **Acquisition Schedule**

Contract Actions	Date
Acquisition Strategy Council	16 July 2018 (D/GEOINT)
Peer Review	28 Aug 2018
Contracts Review Panel	5 Sept 2018
RFP Release	14 Sept 2018
Proposal Receipt	1 Oct 2018
Evaluation of Proposal	1 Oct 2018 – 15 Oct 2018
Contract Negotiations	16 Oct 2018 – 31 Oct 2018
Contract Award	31 Oct 2018
ATP	31 Oct 2018

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(U) Decision

(U) Based upon the content herein and contingent upon the resolution and completion of the comments and modifications cited below I approve the release of the RFP for the 3-year extension for EnhancedView Follow-On (EVFO) and the Secure Operations (SecOps) modernization task.

(b)(3)

Approve:

James C. Marson
Director, Office of Contracts

Date

~~Changes, Limitations, and Action Items:~~

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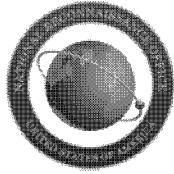


(U) **Back-Up**

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(U) Modification Strategy Overview

(U) Requirements

(U) **Requirement:** Procure commercial imagery under a Service Level Agreement (SLA) in support of GEOINT mission requirements through 2023

- (b)(3) • [Redacted]
- (b)(1) • [Redacted]
- (b)(3) • [Redacted]

(U) **Impacted Programs/Customers/Stakeholders:** EV provides [Redacted] of the imagery for Foundation GEOINT products [Redacted]

- (b)(3) [Redacted]

(U) **Impact to NRO mission:** Consistent with NRO's role as primary acquirer of commercial imagery in support of IC and DoD mission.

(U) Goals and Objectives

(U) **Goal:** Satisfy specified GEOINT foundational and intel requirements through commercial imagery.

(U) **Objective:** Preserve SLA contract options at NRO through 2023, ensuring mission continuity per NGA requirement.

(U) **Risk:** Schedule, Funding, and Contract and Data Rights Negotiation, lack of Congressional funding to satisfy requirements.

(U) **Expected outcome:** \$300M/year commercial imagery procurement that supports DoD and IC mission requirements [Redacted] SecOps Modernization Task. (b)(3)

(U) **Efficiency measures:** Maintain current SLA capacity and price of \$300M/year, with no escalation since 2010.

(U) Financial Summary (\$M)

(b)(3)

Funding Sources	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	Totals
MP	[Redacted]						
NIP	[Redacted]						
FFO	[Redacted]						
Totals	[Redacted]						

Table is S//NF

(S//NF) **Will Cost/Should Cost:** \$300M/year for SLA CLIN, [Redacted] year for Systems Engineering, Studies and Analysis CLIN, [Redacted] total from FY18-20 for SecOps Modernization. Any shortfall in FY20-23 will be covered by [Redacted] funding. (b)(1)

(b)(3)

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(U) Acquisition Strategy

(U) **Competitive or Sole Source:** Sole Source extension/ECP following "administrative transfer" of the remaining 2 option years on NGA's EV contract

(U) **Contract Type(s):** FFP

(U) **Contract Length:**

(U) SecOps Modernization: ATP through FY20 (24 Months)

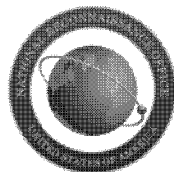
(U) SLA Extension: 3 option years - 1 Sept 2020 - 31 Aug 2023

(U) **Estimated Award Date:** 1QFY19

(U) **Performance Location:** Longmont, CO

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(U) Acquisition Strategy (Contract)

- ~~(U//FOUO)~~ Incentive Structure for CLIN 0001
 - Identical to EVFO CLIN 0001 over initial FY19-20 POP
 - Collection Performance (Satellite Availability) – (b)(3)
 - Deploy Success –
 - Meets Priority Ad Hoc Delivery Timelines by Responsiveness Level –
 - Meets Routine Non-Ad Hoc Delivery Timelines by Responsiveness Level –
 - month for a total of year () – included in the month (b)(3)
(\$300M/year)
-

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(U) Performance Criteria for FFP Incentive

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(U) Performance Criteria for FFP Incentive (cont.)

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(U) Subcontract Clause Requirements

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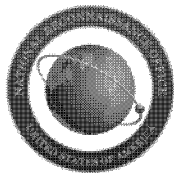
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– Use of the clause is not required for commercial item contracts.

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(U) Market Research Results



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(U) Market Research Results

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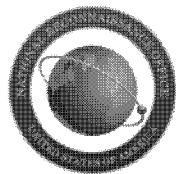


(U) Market Research Results

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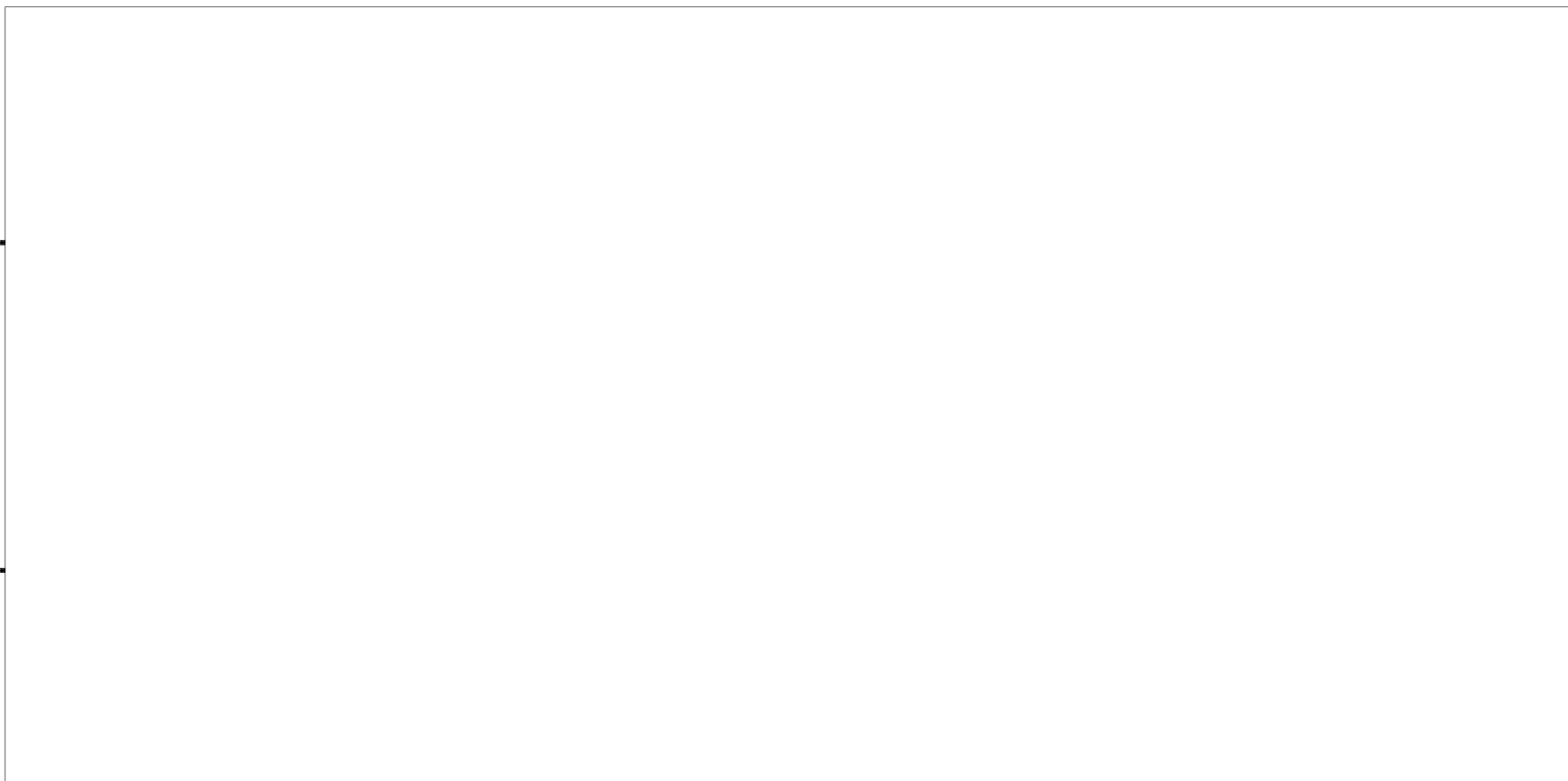
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(U) Price Reasonableness: SLA Analysis

- (U) Determination of price reasonableness of estimated SLA Cost of for 2021-2023 based on 1) existing determination of reasonableness for FY18-20 period; and 2) market data for comparable (resolution, area, type) imagery at per square kilometer (sqkm) price.

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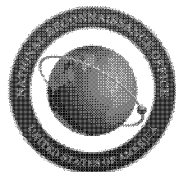
(U) Price Reasonableness: Value of SLA and Secure Operations

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(U) Price Reasonableness: SecOps Modernization (2.0) Analysis

- (U) Determination of price reasonableness of SecOps Modernization proposal of [redacted] over 2 years based on 1) historical actuals for DG development of SecOps (1.0); and 2) NRO activities of a comparable nature. (b)(3)
(b)(4)
- (U//FOUO) 1) Development of current SecOps (1.0) cost a total of [redacted] from 2011-2013 (b)(3)
(b)(4)
 - Originally proposed by DG at a cost of [redacted]
 - NGA ultimately paid DG [redacted] (additional [redacted] based on NGA-required changes) (b)(3)
 - DG subsidized an additional [redacted] in overrun due to changing requirements levied by NGA (b)(4)

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(U) Price Reasonableness:
SecOps Modernization (2.0) Analysis (cont.)

- ~~(S//TK//REL TO USA, FVEY)~~ 2) Comparative NRO efforts

(b)(1)
(b)(3)
(b)(4)



~~(U//FOUO)~~ FFP offer is on the low end of the range, based on NRO comparables.

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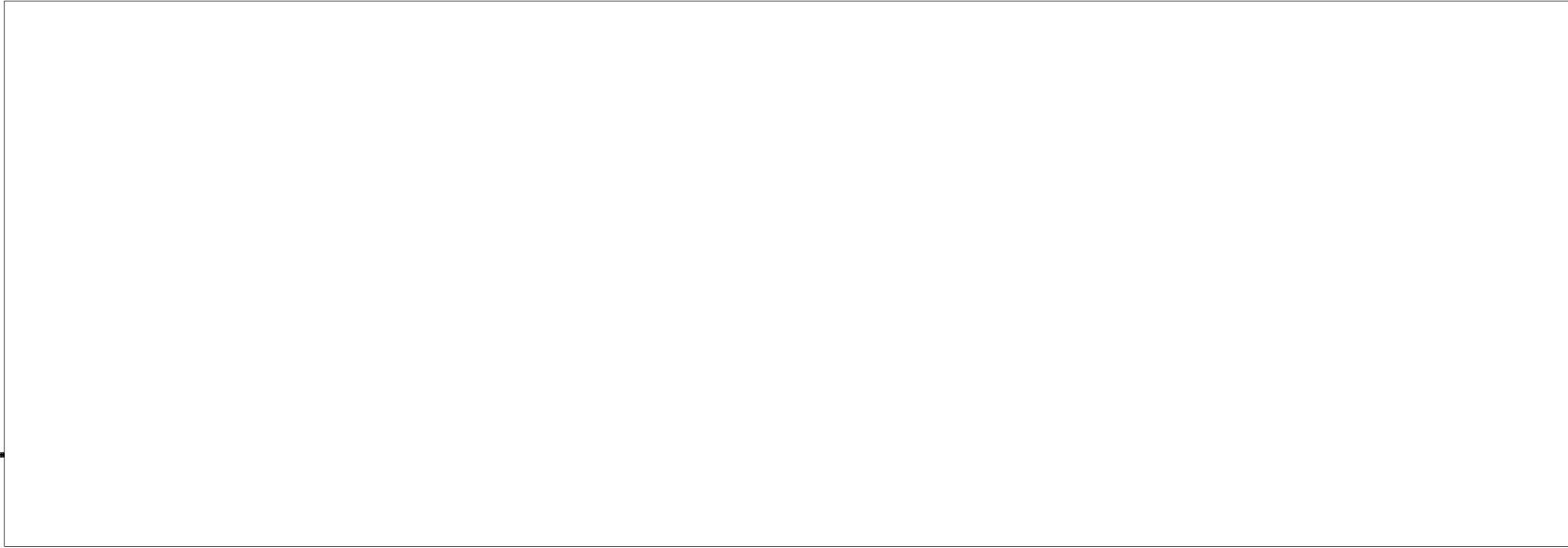
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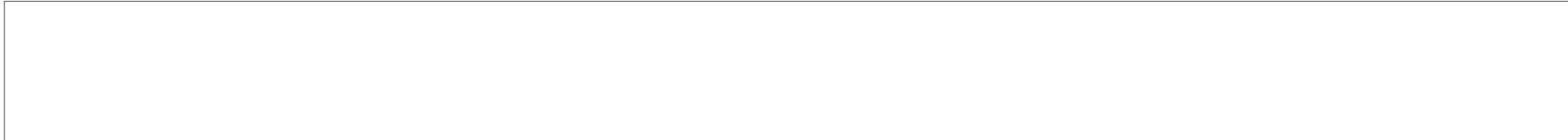
(U) Additional Price Reasonableness Information:



(b)(3)
(b)(4)



(b)(3)
(b)(4)



(b)(1)
(b)(3)
(b)(4)

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(U) Additional Price Reasonableness Information:



(cont.)

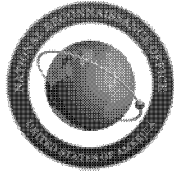
(b)(3)
(b)(4)



(b)(3)
(b)(4)

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(U) SLA Information

(b)(3)

- (U) General SLA Information

- (U) SLA provides Government with full access to the

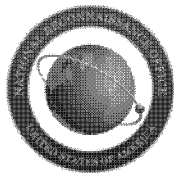
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(b)(1)
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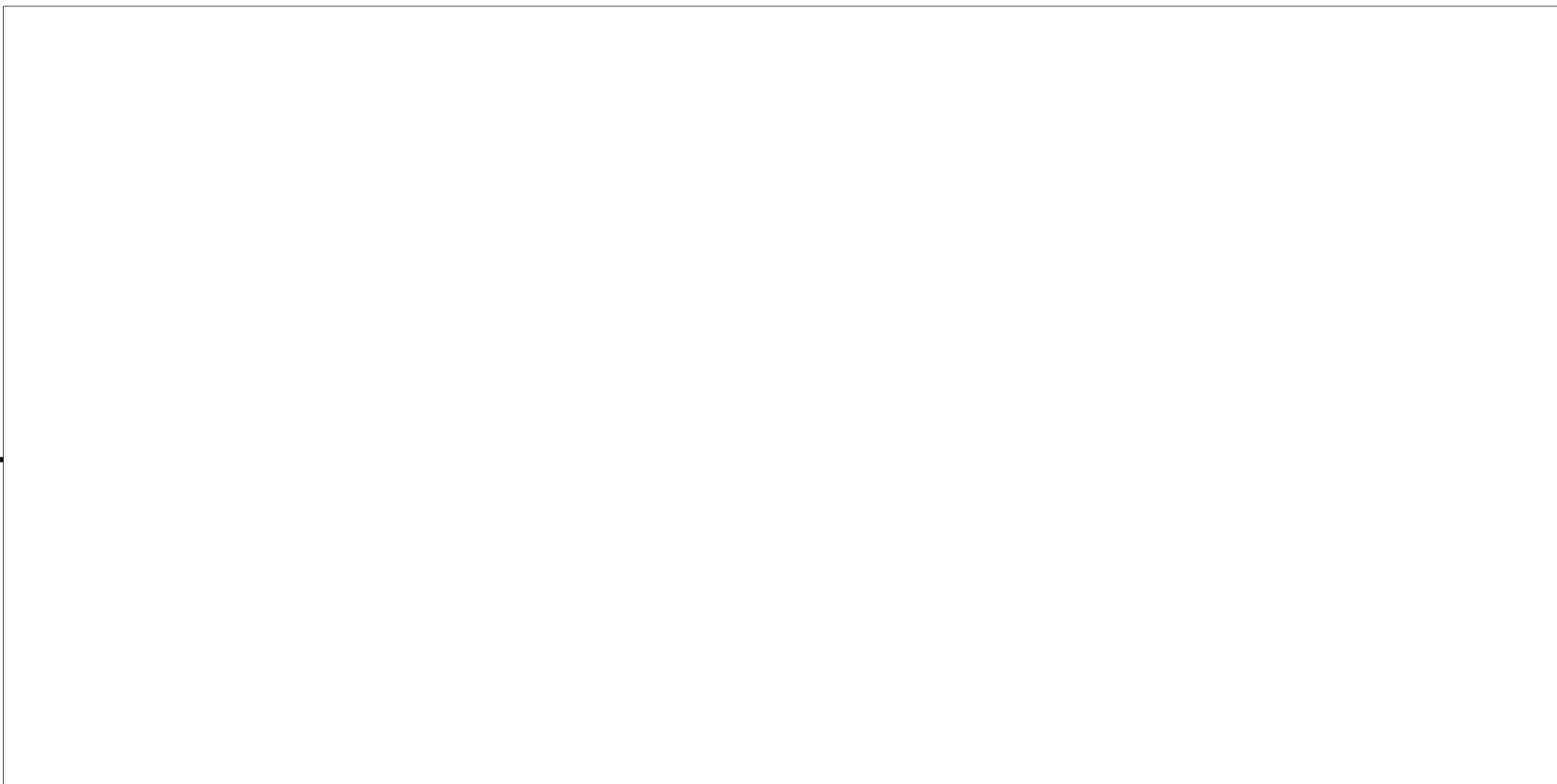
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(U) **SLA Information (cont.)**

(b)(1)
(b)(3)



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