

**DEPARTMENT OF TRANSPORTATION  
FEDERAL HIGHWAY ADMINISTRATION  
Sole Source Justification**

**1. Identification of the agency and the contracting activity**

The United States Department of Transportation (USDOT) Federal Highway Administration (FHWA) Headquarters, Office of Acquisition and Grants Management (HCFA), 1200 New Jersey Avenue, S.E., Washington, DC 20590.

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

This sole-source justification is to issue a non-competitive, out of scope modification to increase the ceiling of the Time and Material (T&M) task order 47QRAA22D00BT\_693JJ323F00273N with Iteris, Inc. entitled, "System Architectures for Intelligent Transportation Standardization, Deployment, and Evolution. The modification will increase the ceiling by \$450,000 from \$9,499,385 to \$9,949,385, allowing continued support while a successor task order is put in place.

693JJ323F00273N was awarded on 09/21/2023 with period of performance (POP) of 09/25/2023 through 09/24/2026. The POP was extended to 03/24/2027 via modification P00004.

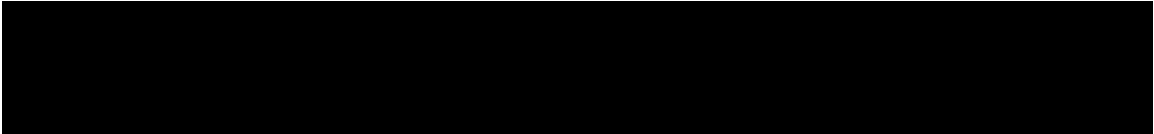
**3. Description of the supplies or services required to meet the agency's needs (including the estimated value)**

The task order is fully funded with \$9,499,985 obligated. To date, the Government has paid \$8,201,170.70 of the ceiling with a remaining \$1,298,814.30 outstanding to provide continued support for an increased demand for ITS reference architecture support. Award of this modification will address transportation sector-specific customized system architecture reference and architecture description needs in support of interoperable safe, effective, and secure transportation. The planned work will impact multiple teams within FHWA.

[REDACTED]

- 
- 
- 

[REDACTED]



The USDOT started a new Digital Corridors Initiative (DCI) championed by OST-R, with the goal of rapidly enabling data sharing between states. This DCI effort requires updates to the ITS Architecture and specific views related to digital corridors to enable this data sharing between states. This work falls within the scope of the ITS Architecture effort, but was not part of the original burn rate planning and projected needs. This \$450K ceiling increase will provide the funding to incorporate the DCI related changes within the timelines that OST-R needs to meet for the overall DCI effort.

**4. Statutory authority permitting other than full and open competition**

The statutory authority permitting this sole-source action is GSAR 538.7104-3(b)(1)(iii).

The modification is issued on a sole source basis in the interest of economy and efficiency because it is a logical follow-on to an FSS order already issued on a competitive basis.

**5. Demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the authority cited**

The primary driver for this ceiling increase is the compounding growth of the National ITS Reference Architecture (ARC-IT), which FHWA is legislatively mandated to maintain under 23 U.S.C. § 517. ARC-IT is structured around "service packages" the core architectural blueprints (such as traffic signal control) that map interconnected devices, systems, and information flows.

Introducing a new contractor for this continued support is technically infeasible. It would require a lengthy transition and onboarding period, creating unacceptable technical risks to federal deployment support legislatively mandated to maintain under 23 U.S.C. § 517.

Furthermore, only one offeror, Iteris, submitted a quote in response to the initial competitive Request for Quote (RFQ), which was solicited through the GSA Multiple Award Schedule (MAS), Professional Services - Technical and Engineering Services (non-IT) 541330ENG - Engineering Services for a single-award task order.

**6. 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 stated in Section 5, only one contractor, Iteris, submitted a quote in response to the original RFQ. Because this modification bridges the incumbent's existing, highly specialized engineering services while the long-term successor vehicle is actively being prepared for open competition, wide public solicitation for this capacity increment is not practicable.

**7. Determination that the anticipated cost to the Government will be fair and reasonable**

The labor categories, hourly rates, and travel structures utilized for this ceiling increase remain identical to the fixed GSA Schedule pricing previously evaluated and determined fair and reasonable at the time of the initial task order award

To mitigate risk to the Government under this T&M structure, the contracting officer will attempt to convert the remaining work into a Firm-Fixed-Price (FFP) arrangement prior to executing the modification. If negotiations to convert to an FFP structure are unsuccessful due to the volatile nature and unpredictable baseline of the ongoing technical support hours, the Government will process a formal Determination and Findings (D&F) to justify raising the ceiling on the existing T&M structure in accordance with agency policy and RFO constraints.

**8. Description of the market research conducted and the results or a statement of the reason market research was not conducted**

Comprehensive market research is actively being conducted as part of the procurement package for the full replacement vehicle, which is scheduled for an award in FY2027.

**9. Other facts supporting the use of other than full and open competition**

The modification to increase the ceiling is necessary to have enough capacity within the order ceiling to continue support services while the Intelligent Transportation Systems Joint Program Office (ITS JPO) processes the follow-on award for similar services. This action does not contemplate any additions or revisions to the scope of work beyond the ceiling increase.

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

There were no inquiries or interest expressed in this contract modification.

- 11. Statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the supplies or services required.**

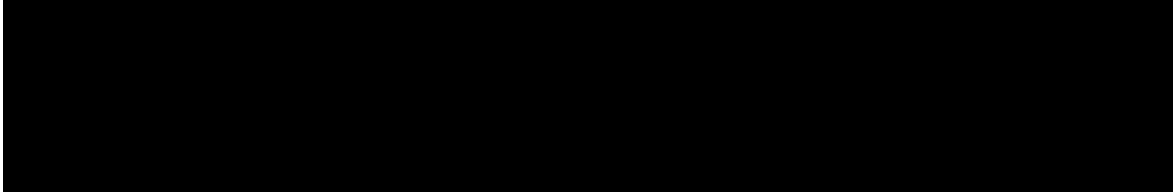
The FHWA will continue to review vendors, inquire with key federal partners and with other organizations as to their activities and plans for development. Also, FHWA will review organizations that provide similar services on an ongoing basis as part of the market research for preparing the replacement contract vehicle.

- 12. Certification**

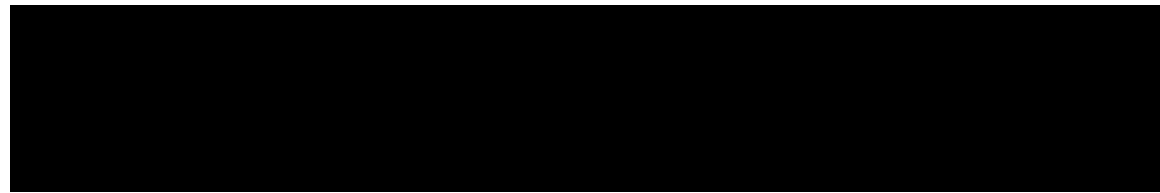
I certify that the information provided in this justification is complete and accurate to the best of my knowledge and belief.

## Approval Signature Page

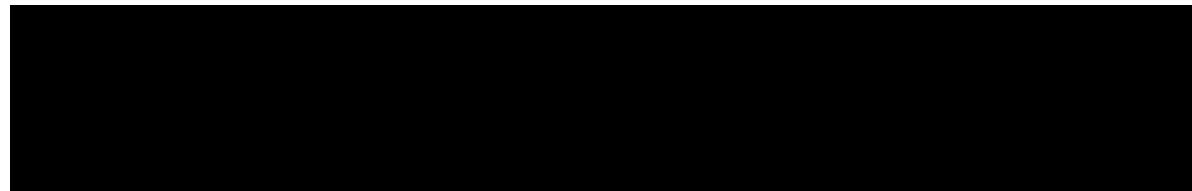
Based upon the preceding information, I hereby recommend approval of this Justification for Other than Full and Open Competition.



Contracting Officer's Representative  
Intelligent Transportation Systems Joint Program Office



Contract Specialist  
Office of Acquisition and Grants Management



Team Leader/Contracting Officer  
Office of Acquisition and Grants Management