

LIMITED SOURCE JUSTIFICATION – Dun & Bradstreet Database Subscription

**DHS, Department of Homeland Security
Immigration & Customs Enforcement
Office of Acquisition Management
Investigations & Operations Support Dallas**

LIMITED SOURCE JUSTIFICATION

1. Identification of Agency and Contracting Activity:

The Department of Homeland Security (DHS), Immigration and Customs Enforcement (ICE), Homeland Security Investigations (HSI), Division 4, Asset Forfeiture Unit (AFU) and Division 5, Mission Support, propose to enter into a sole source task order with Dun & Bradstreet under Multiple Schedule Contract (MAS) contract number GS -22F-0405D for obtaining logins for multiple users for researching and identifying businesses and their assets as targets of investigations. The contracting activity is the Office of Acquisition Management, Investigations & Operations Support Dallas.

2. Description of Action being Approved:

This action requests approval to procure a proprietary database that provides ICE information to identify criminal suspects, businesses, and assets of targets of investigations for potential arrest, seizure, and forfeiture that meets the unique requirements specified in paragraph 4 below. ICE proposes to obtain these database services from Dun and Bradstreet under MAS contract number GS-02F-9614D, in accordance with (IAW) FAR 8.405-6(a)(1)(i)(B). Dun & Bradstreet (D&B) is the only known source capable of providing the information required by HSI in order to meet their mission needs, which include identifying assets and ownership of businesses and linked businesses involved in both criminal as well as asset forfeiture cases. This information will be used by ICE/HSI offices located in Washington, D.C., 26 SAC offices, and multiple RAC offices throughout the United States and its territories.

3. Description of Supplies or Services required to meet Agency’s needs:

The total estimated value for this effort is \$4,185,843.45 (base year with four additional option periods of one year each) based on the D&B proposed pricing for services under their GSA contract. The cost estimate amounts listed below are from D&B’s GSA pricing document.

PERIOD	START POP	END POP	COST ESTIMATE
Base	10/1/2015	9/30/2016	\$793,431.45
Opt 1	10/1/2016	9/30/2017	\$814,653.79
Opt 2	10/1/2017	9/30/2018	\$836,512.80
Opt 3	10/1/2018	9/30/2019	\$859,027.59
Opt 4	10/1/2019	9/30/2020	\$882,217.82

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D&B offers a Fixed Rate Premium Access Subscription (FRPAS) for all current ICE users (315) at one total price for each performance period. D&B also provides their Global Reference Solution (GRS) for 20 identified “power users”, most of whom are located in the field offices, which is included in the total price for each performance period.

ICE HSI is the largest investigative agency in the DHS. HSI protects national security by enforcing the nation's immigration and customs laws and by investigating other criminal activities. ICE 'SI's mission includes conducting criminal and asset forfeiture investigations that protect the United States against terrorists and criminal organizations that threaten our safety and national security; combating transnational criminal enterprises that seek to exploit America's legitimate trade, travel, and financial systems; and upholding and enforcing U.S. laws at and beyond our nation's borders. In order to perform that mission, HSI needs an online research database tool with the unique business related characteristics specified below.

4. Identification of Justification Rationale and Demonstration of proposed Contractor's unique qualifications:

The primary statutory authorities for MAS are Title III of the Federal Property and Administrative Services Act of 1949 (41 USC 3102 et seq.), and Title 40 U.S.C. 501, Services for Executive Agencies.

FAR Part 8.405-6(a)(1)(i)(B) applies to this acquisition. 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. FAR Part 8 requirements are exempt from the requirements in FAR Part 6.

Based on the information listed below, Dun and Bradstreet (D&B) is the only contractor that can meet ICE HSI's requirement for identifying and locating business assets involved in criminal enterprises. ICE requires a database service that is capable of :

- a. **Identifying business assets on a global level.** The D&B Global Data Collection aggregates data from hundreds of sources to provide superior breadth and depth of business information - enabling D&B to create a global business database of unparalleled quality, currency and comprehensiveness. D&B maintains over 145 million company records from more than 192 countries, ranging from large publicly traded companies to small privately held businesses and sole proprietorships. Over their 167-year history D&B has developed the necessary techniques for collecting and synthesizing disparate sources of company information;
- b. **Identifying entities where there are multiple spellings for the business names, multiple addresses, etc.** Entity Matching is D&B's proprietary method for integrating the data they collect into their global business database. This process allows for and corrects variations in spelling (e.g. IBM vs. International Business Machines), formats, tradestyles and addresses, among other elements, and associates data from disparate sources (e.g. a state business license, a federal 10K filing, and a Yellow Pages listing) with the appropriate D&B record. Aiding in this effort is a sophisticated system of Match Grades and Confidence Codes that maximize the likelihood that a search of or match against our global business database returns the correct company match;

- c. **Identifying and linking business subsidiaries by Duns numbers.** The D-U-N-S® Number is a unique, nine-digit identification code that is assigned and maintained solely by D&B. The global standard for company identification, the D-U-N-S® Number is assigned to a company on a location-specific basis and remains with that specific business unit even if it closes or goes out-of-business. All D&B business data (up to 1,500 data elements) is linked to D-U-N-S® Numbers including the business name, address, tradestyles (dba's), principal names, financial and payment information, industry codes (SIC/NAICS), socio-economic status, corporate linkage, predictive scores, status as a government contractor/grantee and more.

The world's most influential standards-setting organizations, more than 50 global industry, and trade associations, and the U.S. Federal Government recognize, recommend, or require the D-U-N-S® Number. These organizations include the American National Standards Institute (ANSI ASC X12), United Nations/Electronic Data Interchange for Administration, Commerce and Transport (UN/EDIFACT), International Standards Organization (ISO), U.S. Government's Electronic Commerce Acquisition Team (ECAT), European Commission/EDI Registration Authority (EDIRA), United States Postal Services (USPS), and the North American Free Trade Agreement (NAFTA).

The U.S. Federal Government adopted the D-U-N-S® Number as the standard business identifier for federal electronic data interchange in October 1994. The D-U-N-S® Number was also incorporated into the Federal Acquisition Regulation (clause 52.204-6) in April 1998 as the federal government's contractor identification code and currently performs this same function within the Integrated Acquisition Environment (IAE), including the System for Award Management (SAM);

- d. **Identifying all business subsidiaries and branches.** In addition to identifying companies on a location-specific basis, the D-U-N-S® Number also links members of their corporate families through Corporate Linkage. D&B's global business database features more corporate families than any other data provider, with over 13 million companies linked by ownership worldwide. These include 2.8 million in the U.S., 5.6 million in Europe, and 2 million in Asia Pacific.

Since the D-U-N-S® Number is entity specific; it links the Ultimate Parent down through subsidiaries for both headquarters and branches. This will enable agencies to consolidate and leverage information about their total relationship with a corporate organization; and

- e. **Providing information regarding the health and strength of businesses selected for review in a compact easy to read and understand format.** D&B's Predictive Indicators use statistical analysis to predict future performance. Predictive Indicators combine the analytical capabilities of a dedicated team of experienced PhD's (who build the underlying predictive models) with unique D&B data capabilities, including industry-specific knowledge, financial and payment information on numerous private companies and extensive historical information for modeling and trend analysis purposes.

One example of D&B's Predictive Score is the Financial Stress Score (FSS), which helps agencies predict at a glance a business's potential for failure. Available only through D&B, the FSS is generated and maintained using the D-U-N-S® Number and D&B's unique global

LIMITED SOURCE JUSTIFICATION – Dun & Bradstreet Database Subscription

data collection infrastructure. This capability enables D&B to track the changes in the FSS and proactively notify your agency of these changes.

In addition, D&B offers the following unique capabilities:

SIC 2+2. D&B's proprietary Standard Industrial Classification (SIC) SIC 2+2 system expands the government's four-digit SIC by an additional four digits and offers a more granular distinction between lines of business. With the SIC 2+2, D&B can identify over 15,000 distinct lines of business versus the 1,000 four-digit industry codes.

NAICS File. The North American Industry Classification System (NAICS) was created by government statisticians of the United States, Canada, and Mexico as a result of the North American Free Trade Agreement (NAFTA). Although the SIC is the foundation of D&B's industry classification system, D&B has developed crosswalk tables from our 8-digit SIC to the NAICS System. The additional granularity of D&B's SIC 2+2 system results in a more accurate NAICS assignment by reducing the number of "one-to-many" matches.

Based on the aforementioned, D&B is the only known source capable of providing a database service that is capable of meeting all of the government's requirements.

5. Determination that the Order Represents the Best Value:

In accordance with FAR 8.404(d), General Services Administration (GSA) has already determined that the prices of services under Schedule contracts are fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing. Prior to placing the order, the Contracting Officer will seek further price reductions from D&B's Financial and Business Solutions (FABS) contract GS-22F-9614D, under Special Item Number (SIN) 520-16. Market research has shown that the services required are under this D&B GSA MAS contract. While this contract is currently scheduled to expire as of October 31, 2015, D&B has already submitted their option paperwork to GSA for their extension.

6. Market Research

Market research was conducted with two questions in mind. First, is there another available product on the market that can meet the needs of the Government; and second, what is the best procurement approach for such a product.

Relative to question one, there are other databases available to HSI but during the market research phase, no other database was found that can meet all of the requirements enumerated above. In reviewing the other contract terms and conditions under SIN 520-16, some of the databases could meet some of the business information requirements listed above. For example, one contractor, Info Group, under contract GS-23F-0096P, provides some business information, such as business name, address (including latitude and longitude), executive names, and information such as applicable SIC codes; but they do not provide global subsidiary information or capabilities to identify businesses with multiple spellings and numerous subsidiaries. Thomson Reuters Special Services LLC, under contract GS-23F-0089W, provides some

LIMITED SOURCE JUSTIFICATION – Dun & Bradstreet Database Subscription

business search information, but does not meet all of the required capabilities listed above. Other available research databases, such as CLEAR by West, a Thomson Reuters Company, are excellent for identifying suspects, phone numbers, SSNs and for doing charts and reports; but that is only part of the investigative picture for an HSI agent. Reviews of Open Market database offerings showed that while other databases provide some of the business information that HSI needs, they do not meet all of the requirements listed above. No other available commercial database includes all of the business information or capabilities required by HSI agents in support of Intelligence, Investigations, and Asset Forfeiture in criminal cases.

Relative to question two, access to the D&B database can be obtained from both the D&B FSS contract as well as from Fedlink (a Library of Congress subscription source), but the pricing on the GSA contract is more favorable to the Government.

Dun and Bradstreet is the only database service from which all of the business data research needs identified above can be met, which is absolutely necessary/critical for ICE to accomplish its investigative mission.

7. Other Facts Supporting the use of the Justification:

ICE is a member of the Treasury Executive Office for Asset Forfeiture (TEOAF), Treasury Forfeiture Fund (TFF). As such, TEOAF provides full funding from the TFF to ICE-HSI's Asset Forfeiture Unit (AFU) through the AFU's Mandatory Financial Plan, for this contract cost. Title 31 USC 9703(B)(i), specifically provides for the funding of "contract services" for TFF member agencies. The D&B program is priced at an annual rate (in lieu of pricing by the search) in order that the Program can properly plan for their financial needs. -

8. A Statement of Actions to Overcome Barriers to Competition:

The program has been advised to conduct continuous market research to identify other potential database services that can provide the support needed by HSI and AIRG in the future. Market research shall also be conducted by the CO at the end of each performance period prior to exercising any option period. Currently there are no other known vendors who can meet the government's requirement identified above.