[redacted]

Redacted Version

IN THE UNITED STATES COURT OF FEDERAL CLAIMS
BID PROTEST

AMAZON WEB SERVICES, INC.,	)	[redacted]
Plaintiff,	)	
v.	)	No. 19-1796C
	)	(Judge Patricia E. Campbell-Smith)
THE UNITED STATES,	)	
Defendant,	)	[redacted]
and	)	
MICROSOFT CORPORATION,	)	
Intervenor-Defendant.	)	

DECLARATION OF [redacted]

I, [redacted], DoD, declare as follows:

1. [redacted]

2. WHS AD is the single enterprise contracting office providing acquisition services to all Office of the Secretary of Defense (OSD) components. The CCPO is a customer of WHS

[redacted]

AD. The mission of CCPO is to rapidly and securely deploy enterprise cloud services to the Department of Defense (DoD) at all classification levels, from the home-front to the tactical edge.

3. In these capacities, specifically as [redacted] and the [redacted], I am highly familiar with the JEDI Cloud contract. As such, and based on detailed calculations and estimating, I can explain the likely financial harm to the DoD if it is unable to continue performance under this contract.

4. JEDI Cloud is DoD's leading effort to create a global cloud capability at all classification levels across the Enterprise to the Warfighter on the tactical edge. As described in DoD's 2019 Cloud Strategy, JEDI Cloud is a general purpose, enterprise-wide cloud that is critical to the Department's future. Successful implementation of JEDI Cloud will enhance lethality and strategic readiness. JEDI Cloud will enable the warfighter to quickly convert data to actionable information, which is recognized as critical by all of the combatant commands.

5. The size and magnitude of the JEDI Cloud contract afforded DoD a unique opportunity to receive the most favorable customer pricing from Cloud Service Providers (CSPs). Cloud pricing is already competitive in the commercial marketplace, but the intense competition between the largest CSPs in the world for this contract resulted in [redacted]

6. As DoD has previously represented to Congress, the estimated spend under the JEDI Cloud contract during FY20 and FY21 is $45M and $165M, respectively.[1] In the event DoD is enjoined from moving forward with the JEDI contract, it will be forced, to the extent possible, to utilize other available federal government cloud contracts. In such a case, the DoD anticipates

[1] DoD Multi-Cloud Environment Transition Report, October 2019 – submitted to congressional defense committees in response to House Report 116-84, page 12.

[redacted]

the additional cost over-and-above the estimated spend for its required cloud services, to the extent such services are even available under different contract vehicles, would range from [redacted] over the next two years. This range of numbers is based on a survey of data available on existing contracts for cloud computing services provided by AWS and Microsoft, and is a result of different projected pricing effects utilizing both AWS Government (AWSG) and Microsoft Azure Government (MAG) pricing.

7. In order to quantify the impact of the DoD being forced to use existing cloud contracts other than JEDI Cloud, an effort was made to project the likely cost to DoD users to obtain the same or similar services under such contracts. Over 20 different contracts for cloud services are available to the DoD that vary significantly in size, scope, CSP, and accessibility. My analysis focused on AWS and Microsoft Azure, as these CSPs represent the two largest providers, accounting for a majority of the global market share for cloud services. Contracts identified for use in this analysis include the Air Force's Cloud One, [redacted], AWSG, AWS Commercial (AWSC), Microsoft Azure Commercial (MAC), and MAG. While still lacking several key features of the JEDI Cloud, these contracts represent the most analogous scope of services provided to the DoD and IC that are offered under the JEDI Cloud contract.

a. Comparing pricing under the awarded JEDI Cloud contract to AWS pricing under other available government contracts required examination of AWS pricing for comparable services. I performed detailed analyses of the AWS Unclassified services and AWS Classified services. [redacted][2]

---

[2] [redacted]

[redacted]

catalog data, AWSG, AWSC, and the Air Force Cloud One contract, contracting for classified and unclassified offerings with AWS through these other contract vehicles [redacted]. These figures are based on an estimation technique utilizing historical data proposed under the JEDI Cloud procurement. First, the government calculated [redacted]. This value represents the anticipated difference between AWSG, AWSC, [redacted], and Air Force Cloud One (AWS) when compared to the prices under the JEDI Cloud contract. In order to calculate the financial harm anticipated under other contracts, we must calculate the escalation factor based on the difference above. The escalation factor is calculated as [redacted] Therefore, the anticipated cost of services provided by AWS on external contracts instead

[redacted].

[redacted]

of the JEDI Cloud contract is [redacted]

b. Review of existing cloud service contracts also included the MAC catalog, the MAG catalog, and the Air Force's Cloud One. A review of the pricing data under Air Force's Cloud One contracts reveals the prices [redacted] Therefore, the anticipated cost of services provided by Microsoft on external contract instead of JEDI cloud contract is [redacted] higher than if the same services were procured under the JEDI Cloud contract. First, I calculated [redacted]. This value represents the anticipated difference between both MAG and Air Force Cloud One when compared to the prices under the JEDI Cloud contract. In order to calculate the financial harm anticipated under other contracts, I calculated the

3 [redacted]

[redacted]

escalation factor based on the difference above. The escalation factor is calculated as [redacted] Therefore, the anticipated cost of services provided by Microsoft on external contract instead of JEDI cloud contract is [redacted] higher than if the same services were procured under the JEDI Cloud contract. [redacted].

8. [redacted]. [redacted]. Likewise, if DoD were to use current Microsoft government contract offerings (other than JEDI) instead of AWS, the escalation, factored over the two-year base period of the JEDI contract, results in a projected cost increase of approximately [redacted]. DoD would reasonably expect cost to range somewhere between these two figures. The ultimate harm to DoD would depend upon what share of cloud services that would have been provided under JEDI that are ultimately provided by AWS or Microsoft under other already-available contracts.

9. Calculated out at a monthly figure, DoD thus anticipates a financial harm of between $5 and $7 million dollars every month that performance of the JEDI contract is delayed. With respect to timeliness of continued performance, [redacted], can only be used during the base period of the contract. Delay to contract performance would threaten access to [redacted].

[redacted]

10. The DoD faces significant financial and programmatic harm if we are unable to continue performance under the JEDI Cloud contract. The DoD requires cloud services in order to meet the objectives of the National Defense Strategy and it will continue to acquire this technology solution at a growing rate. The cost of doing business outside of the JEDI Cloud contract will result in the DoD paying nearly double for the same or similar service during the first two years of performance. On a per month basis, DoD would be spending millions of dollars that could be avoided.

I declare under penalty of perjury that the foregoing is true and correct. Executed on this 31st day of January, 2020.

[redacted]