U.S. DEPT OF DEFENSE

Enterprise Cloud Fact Sheet

What can the Enterprise Cloud do?

- Addresses critical unmet needs for warfighters
 - Access to all classification levels
 - Accessible around the world
 - Supports the future through Artificial Intelligence (AI) and Machine Learning (ML) at scale
- Aligns with the **National Defense Strategy** by supporting enhanced lethality, strategic readiness and enabling the warfighter to respond in real time.
- Builds upon lessons learned from the Intelligence Community.
- Synchronized with other government initiatives such as Cloud Smart.
- The first contract is one component of the larger ecosystem that consists of different cloud models based on purpose.
- The first step is establishing a pathfinder in the larger cloud strategy by DOD.

Concerns about JEDI Explained

Myth: JEDI is a \$10 billion, 10 Year sole-sourced contract.

FACT: DoD's Cloud Strategy reflects a multi-vendor, multi-cloud <u>ecosystem</u>. JEDI's guaranteed minimum is actually only \$1 million. Additionally, the contract has a two-year base period with three option periods (3 years + 3 years + 2 years) for a total of 10 years. This affords the Department maximum flexibility in placing orders and off-ramping as necessary. DoD is not locked in.

JEDI's total contract ceiling, if all option periods are exercised, is \$10 billion, but DoD is under no obligation to place any orders beyond the \$1 million minimum. DoD's Cloud Strategy includes a multivendor, multi-cloud ecosystem, which is consistent with industry best practices.

Myth: While many companies were interested, DoD unreasonably restricted competition.

FACT: There are only a handful of companies in the world that can provide general purpose cloud capabilities on the scale required for the Department of Defense. Independent research performed by Gartner confirms there are only five non-Chinese companies seriously competing in the hyper-scale cloud marketplace. Four of the five companies participated in the JEDI competition. Two companies were determined competitive during the contracting process.

Myth: A single award contract does not give the American people the best value for their dollar.

FACT: The JEDI solicitation reflects the unique and critical needs of DoD, which operates on a global scale and in austere, disconnected environments. It is important for a warfighter in Afghanistan to access the same information as an analyst in Washington, DC or a service member training in California.

The pricing competition is going to come down to vendors who can provide the full scale of services at



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the best value. The JEDI solicitation was constructed to drive competition. To ensure DoD continues to benefit from global marketplace pressures and maintain best-in-class pricing, the JEDI contract tethers its prices to the vendor's commercial prices.

Myth: The Department of Defense will not be able to keep their data safe.

FACT: NSA, CYBERCOM, and the intelligence community provided input into JEDI's security requirements. Additionally, DoD contacted outside industry to review the security elements of the JEDI solicitation. Furthermore, DoD will be performing in-depth analysis and penetration testing to validate JEDI's security capabilities.

DoD's Cloud Strategy includes a multi-vendor, multi-cloud ecosystem, which is consistent with industry best practices. All cloud vendors will be subject to the same DoD security requirements. DOD is committed to a safe cloud.

Myth: There were inside negotiations with at least one person who is now an Amazon employee.

FACT: This information was alleged in a filing before the US Court of Federal Claims, by a company that was deemed to be non-competitive. The US Court of Federal Claims did not sustain any of these complaints. Prior to the Court's ruling, the Department of Defense conducted its own investigations and determined that the integrity of the acquisition remains intact.

Myth: There are several criteria that predetermines an award to one contractor.

FACT: The Defense Department has unique and critical needs in order to support the warfighter. The evaluation criteria reflects those needs while ensuring taxpayers get the best value for their hard earned tax dollars.

There are two competitive bidders that meet the DOD cloud requirements. The company with the best capabilities will win.

The reasonableness of DoD's requirements was upheld by the General Accountability Office and US Court of Federal Claims.

Myth: Contrary to industry best practices, the Department has decided to use a single vendor for the JEDI program.

FACT: DoD's Cloud Strategy, reflects a multi-vendor, multi-cloud ecosystem which is consistent with industry best practices. The JEDI contract is one component of the larger ecosystem that consists of different cloud models based on purpose.

Myth: The JEDI strategy does not comply with the Cloud Smart strategy for federal departments.

FACT: The Federal Cloud Computing Strategy - Cloud Smart strategy does not direct agencies to obtain cloud services from multiple vendors. Rather, it states the following: "agencies will need to use a variety of approaches that leverage the strength of Federal Government's bulk purchasing power, the shared knowledge of good acquisition principles, as well as relevant risk management practices." DoD agrees, and is set in DoD's Cloud Strategy, which specifies DoD is a multi-vendor and multi-cloud ecosystem.

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Myth: The JEDI contracting process has not been open, transparent, or honest.

FACT: The Court of Federal Claims agreed with DoD that JEDI has been a fair, full and open competition. JEDI is a competitively solicited requirement. Multiple proposals were submitted in October 2018, and two bidders remain in the competitive range established in April 2019. As affirmed by the court, the JEDI Cloud acquisition activity is being conducted as an impartial, free, and fair competitive source selection.

The Joint Staff, the DoD, National Security Agency, Combatant Commands, and other military stakeholders provided recommendations for defining the warfighting requirements for JEDI. Based on this feedback, DoD released three draft solicitations, providing industry multiple opportunities to review the evaluation criteria and provide comment.

As with any other acquisition, this is a multi-layered source-selection process. A team of department experts developed the requirements and solicitation and is involved in the award decision. The accusation to the contrary has been brought by a single company that was determined to be non-competitive.