

JUSTIFICATION
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
260 Industrial Way West
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is for a Firm-Fixed-Price Delivery Order (DO) issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurements (SEWP) IV Government Wide Acquisition Contract (GWAC) for the renewal of brand name International Business Machines (IBM) Infosphere Master Data Management (MDM) Annual Software Subscription renewal, software maintenance services, and technical support. The period of performance for the maintenance and support shall be 12 months from January 1, 2014 to December 31, 2014 with three 12-month option periods.
3. Description of the Supplies or Services: The proposed action is for the renewal of brand name IBM Infosphere MDM annual software subscription renewal, software maintenance services, and technical support. The IBM Infosphere MDM provides unique patient identity services for the Veterans Health Administration (VHA), allowing enterprise-wide correlation of patient information residing at separate Information Technology (IT) systems throughout the VHA facilities. The licensed software contains critical product functionality that meets the Government's needs. The Contractor shall provide software maintenance services, which includes periodic updates, enhancements, and corrections to the software, and technical support, which is inclusive of online technical support, enhanced self-help and search capabilities (24 hours by seven days) and voice support; all of which are customarily provided by the Contractor to its customers so as to ensure that the software will perform according to its specifications, documentation, or demonstrated claims. The total estimated price of the proposed action is (inclusive of options).
4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c)(2) as implemented by the Federal Acquisition Regulation (FAR) Subpart 16.505(b)(2)(i)(B), entitled "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized".
5. Rationale Supporting Use of Authority Cited Above: This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. IBM or authorized resellers of the brand name Infosphere MDM annual software subscription renewal, software maintenance services, and technical support can meet VA's requirements. In 2005, VA procured the original Initiate software (now named IBM Infosphere MDM). In 2009, additional licenses were procured to accommodate growth in the Veteran population. The IBM Infosphere MDM software is the only brand name that provides the matching algorithm currently in use by the Master Veteran Index (MVI) and Administrative Data Recovery (ADR). Accurate data within MVI and ADR is critical for patient safety. The MVI provides unique patient identity services for VHA allowing

enterprise wide correlation of patient information residing at disparate IT systems throughout VHA facilities. Only IBM or authorized resellers can provide IBM's proprietary annual software subscription renewal, software maintenance services, and technical support. Without the renewal of the IBM Infosphere MDM annual software subscription and support, VA will not be able to receive critical software updates, enhancements, software corrections, and technical support; posing an immediate risk to VA's MVI. Specifically, the current system and software communicates through a source code that is based on IBM Infosphere MDM proprietary data. Furthermore, switching to another solution provider for software subscription and support would invalidate all of the current probabilistic matching indices for the approximately 20 million identities managed by VHA potentially resulting in patient safety issues. The renewal of IBM Infosphere MDM annual software subscription, software maintenance services, and technical support is vital to VA's MVI, patient safety and to ensure IBM Infosphere MDM software remains secure, reliable, and fully supported.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. It was determined however that limited competition is viable among authorized resellers for this brand name item. In accordance with FAR 5.301 and 16.505(b)(2), this action will be synopsisized at award on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available.

7. Actions to Increase Competition: Although the Government is limiting competition as a result of specifying a brand name item, there are several authorized resellers of the Initiate products on the NASA SEWP IV GWAC. Limited competition for this requirement among these vendors is anticipated. Finally, in order to remove or overcome barriers to competition in future acquisitions for this requirement, the agency will work with the program office to perform additional market research so that other solutions can be considered.

8. Market Research: In December 2013, the Government's technical experts conducted market research to ascertain the ability of any other source, other than an IBM reseller, that can provide the aforementioned services. It was confirmed that the software currently used contains proprietary information and only IBM and its authorized resellers can provide the annual software subscription, software maintenance services, and technical support. While other sources possess general capabilities needed to provide similar services, no other source was found to meet VA's needs without access to the proprietary data. Given that the IBM product is a proprietary solution, there are no other authorized vendors that can provide maintenance licenses without voiding the licenses currently in use. Furthermore, in November 2013, a Request For Information (RFI) was posted on the NASA SEWP IV GWAC. The RFI yield two responses from Service-Disabled Veteran-Owned Small Business (SDVOSB) Value Added Resellers (VARs). Additionally, the Technology Acquisition Center conducted market research by utilizing the Product verification tool on the NASA SEWP IV GWAC Website to identify IBM Inphosphere MDM resellers for the specified brand name product. The search yielded nine resellers of the IBM Inphosphere MDM brand name. Of the nine resellers, one is a VAR and Computer System Original Equipment Manufacturer (OEM) from

Group A, four are SDVOSB VARs from Group B, one is a Small Business VAR from Group C, and three are Large Business VARs from Group D. Limited competition is anticipated.

9. Other Facts: VHA procured the original Initiate software subscription, software maintenance services, and technical support in 2005. The current version of the software is the IBM Infosphere MDM. This effort is to continue software subscription, software maintenance services, and technical support previously provided. IBM Infosphere MDM software is already installed and is in use within MVI and ADR. Accurate data within MVI and ADR is critical for patient safety. The IBM Infosphere MDM software is a foundational component that enables MVI and ADR to have accurate information. It is a building block that enables these systems to avoid major patient safety issues. Switching to another solution provider for software subscription and support would invalidate all of the current probabilistic matching indices for the approximately 20 million identities managed by VHA potentially resulting in patient safety issues.