

LIMITED-SOURCES JUSTIFICATION

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
23 Christopher Way
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is for the purchase of maintenance support for seven previously purchased ArX Cosign Central Devices. The proposed action will be issued on a sole source basis under General Services Administration (GSA) Federal Supply Schedule (FSS) 70 to ArX, Inc. and result in a Firm-Fixed Price (FFP) Delivery Order (DO). This requirement is proposed to be awarded under GSAFSS, Contract Number GS-35F-0513W, to ArX Inc., 855 Folsom Street, Suite 939, San Francisco, CA 94107.
3. Description of Supplies or Services: The proposed action is for the purchase of maintenance support for seven previously purchased ArX Cosign Central Devices. Maintenance Support shall include either repair or replacement of defective hardware and return shipment to the customer within seven days of receipt by Arx, Inc. The Contractor shall provide patches and updates, to include the object code (machine executable) versions of all software products and firmware incorporated in products and all supporting documentation. The total estimated value of the proposed action is \$
4. Statutory Authority: Federal Acquisition Regulation (FAR) Part 8.405-6(a)(1)(i)(B), 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.
5. Rationale Supporting Use of Authority Cited Above: ArX Inc. is the only authorized reseller for CoSign Central Device maintenance support as detailed in the market research section below. The CoSign Central Devices are the centerpiece in implementing the mandate given to VA to apply electronic and digital signature capabilities for use by Veterans and business partners. As such, the upgraded devices and licenses are crucial to the successful and efficient operation of the Veterans Affairs Authentication Federation Infrastructure (VAAFI) signature service in multiple pre-production and production environments. The VAAFI service is a unified authentication system that can be interoperated among various agencies that serve both Veterans and civilian population.

Without continued maintenance and support, serious disruption will occur in the ability of a large user population to efficiently access and utilize core VA services and other Federal information systems. Specifically, the negative impacts of this degradation in service include a reduction or suspension of support services that will be experienced by current and planned electronic and digital signature customers which include eHealth Exchange, Stakeholder Enterprise Portal, My HealtheVet, and

ArX, Inc. Maintenance Support of CoSign Central Devices

Virtual Lifetime Electronic Record . This would cause an unconscionable delay in the ability for Veterans to access crucial services such as eBenefits and My HealtheVet.

ArX's suite of maintenance support provides a unique solution that is compatible with the existing VAAFI system and with current business needs. ARX is the only company that offers the maintenance and support necessary to keep the Cosign devices running smoothly and error free.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional potential sources who could meet the Government's requirements. There is no competition anticipated for this acquisition. The ordering activity will post the justification along with the Request For Quotation to e-Buy in accordance with FAR 8.405-6(b)(3)). In accordance with FAR 5.301 and 8.405-6(a)(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: The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed. Additionally, this Limited Sources Justification and the Request for Quote will be submitted to all GSA Schedule 70 contract holders in order to fully notify all interested parties. Any proposals that are received will be evaluated. In accordance with FAR 5.202(a)(11), this effort is exempt from synopsisizing since the proposed contract action is an order placed under an existing contract that was previously synopsisized in sufficient detail.

8. Market Research: Previous procurement history shows that on February 28, 2013 a Request for Information (RFI) was posted on the Federal Business Opportunity (FBO) Page to verify if there are any authorized resellers who can provide renewal maintenance for the ArX CoSign Central Devices. On March 1, 2013, the RFI closed; ArX, the Original Equipment Manufacturer (OEM) of the Arx CoSign Central Devices was the only company capable of providing the maintenance support for the CoSign Central Devices. Additional market research was conducted to ascertain if changes in the marketplace enabled future actions to be competed. Market Research was conducted in January 2014 utilizing the National Aeronautics and Space Administration (NASA) Solutions for Enterprise Wide Procurement (SEWP) Government Wide Acquisition Contract (GWAC) Manufacturer Lookup tool. VA was able to identify two (2) Small Business Value Added Resellers from Group C as resellers for ArX hardware in the NASA SEWP GWAC. However, additional Market Research was conducted in January 2014 by contacting ArX the Original Equipment Manufacturer (OEM) and it was discovered that ArX does not allow its resellers to sell first line support and maintenance for contracts that are already supported directly by ArX.

9. Other Facts: None

