

# CONCURRENCE AND SUMMARY SHEET

SUBJECT

Determination of Best Procurement Approach, Oracle Enterprise License Agreement (ELA) Renewal

NAME OF ADDRESSEE (For Correspondence Only)

TO BE COMPLETED BY EXECUTIVE SECRETARIAT (001B)

REMARKS

CONTROL NO.

VAIQ 7459727

NAME OF REVIEWER

## CONCURRENCES - TO BE DETERMINED BY THE ORIGINATING OFFICE

CONCURRENCE REQUIRED	TITLE OR ORGANIZATIONAL ELEMENT	MAIL ROUTING SYMBOL	DATE IN	SIGNATURES		DATE OUT
				CONCURRENCE	NONCONCURRENCE	
	VETERANS HEALTH ADMINISTRATION	10				
	VETERANS BENEFITS ADMINISTRATION	20				
	NATIONAL CEMETERY ADMINISTRATION	40				
	OFFICE OF INSPECTOR GENERAL	50				
	OFFICE OF PUBLIC AND INTERGOVERNMENTAL AFFAIRS	002				
	OFFICE OF ACQUISITION, LOGISTICS & CONSTRUCTION	003				
	OFFICE OF MANAGEMENT	004				
	OFFICE OF INFORMATION AND TECHNOLOGY	005				
	OFFICE OF HUMAN RESOURCES AND ADMINISTRATION	006				
	OFFICE OF OPERATIONS SECURITY AND PREPAREDNESS	007				
	OFFICE OF POLICY AND PLANNING	008				
	OFFICE OF CONGRESSIONAL AND LEGISLATIVE AFFAIRS	009				
	BOARD OF VETERANS' APPEALS	01				
	OFFICE OF THE GENERAL COUNSEL	02				
	VETERANS SERVICE ORGANIZATION LIAISON	00C				
	OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION	00SB				
	WHITE HOUSE LIAISON	WHL				
	OFFICE OF ACQUISITION AND LOGISTICS	003A		<i>Jan. RF</i>		4-16-14
X	OFFICE OF PROCUREMENT POLICY, SYSTEMS AND OVERSIGHT	003A2				4/11
X	PROCUREMENT POLICY AND WARRANT MANAGEMENT SERVICE	003A2A	10 Apr 14	<i>Sheila P. Darrell</i>		10 Apr 14

NAME OF AUTHORIZED SIGNER

Sheila Darrell

SIGNATURE OF INITIATING KEY OFFICIAL OR AUTHORIZED SIGNER

DATE

04/09/2014

LIMITED-SOURCES JUSTIFICATION  
Coordination Matrix

RJB 3/13/14  
Ronald J. Bakay Date Concur/Non-Concur  
Competition Manager  
Technology Acquisition Center (003B2A)  
Office of Acquisition Operations  
Department of Veterans Affairs

Kevin R. Loesch 3/13/2014  
Kevin R. Loesch Date Concur/Non-Concur  
~~Acting~~ Director, Procurement Service B  
Technology Acquisition Center (003B2A)  
Office of Acquisition Operations  
Department of Veterans Affairs

Michele R. Foster 3-31-2014  
Michele R. Foster Date Concur/Non-Concur  
Associate Executive Director  
Technology Acquisition Center (003B2)  
Office of Acquisition Operations  
Department of Veterans Affairs

## LIMITED-SOURCES JUSTIFICATION

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition Operations  
Technology Acquisition Center  
23 Christopher Way  
Eatontown, NJ 07724
2. Description of Action: The proposed action is for an Enterprise License Agreement (ELA) that includes software maintenance and license procurement for Oracle products deployed throughout VA. A firm-fixed price call order will be issued under the General Services Administration (GSA) SmartBuy Blanket Purchase Agreement (BPA). The period of performance will be for one base year and two, one year options. The objective of this effort is to consolidate Oracle licenses and maintenance support from various VA contracts into a single enterprise agreement.
3. Description of the Supplies or Services: Oracle products provide underlying core functionality crucial for the development and deployment of many new VA applications as well as applications already relying on Oracle products. The ELA will establish a single contract vehicle that will consolidate support of all existing Oracle software programs owned by VA today while at the same time providing a means for VA to acquire additional software to fulfill its mission. This contract represents the continuation of software maintenance, licensing, and services for Oracle software products identified herein, that have been acquired and owned, or will be acquired and owned by VA.

VA requires software maintenance support which includes 24x7 support, patching and version upgrades/enhancements and security updates for Oracle software deployed throughout VA.

VA also has the need to procure Oracle software to continue to support the expansion of critical VA applications. Oracle software has been implemented within a wide range of VA applications critical to the operation and success of the VA enterprise. These applications include the Veterans Benefits Management System; MyHealtheVet; Administrative Healthcare Data Repository; Healthcare Data Repository; Canteen Services Retail Operations; Cemetery and Monuments Management; Chapter 33 GI Bill Benefits; Enterprise Data Warehouse; Human Resource Management System; the Quantico Information Technology Center (QITC), Hines Information Technology Center (HITC), and Austin Information Technology Center (AITC) data centers and the new Million Veterans Program. This agreement will also provide VA with the option of unlimited deployment licensing rights for software from Oracle that has been deployed throughout VA supporting expansions for critical VA applications in support of the Nation's Veterans. In order to assure the continued operational success of these systems, it is critical that VA continue the software maintenance support services provided by Oracle software. Finally, this order will include options to purchase additional Oracle software licenses and/or software maintenance to support future needs. The total estimated value of this contract is \$110,723,500.00, including all options.

4. Statutory Authority: This acquisition is conducted under the authority of the Multiple-Award Schedule Program. The specific authority providing for a limited source award is 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: This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. Based on extensive Market Research, as described in paragraph eight of this document, it was determined that limited competition is viable among authorized resellers for the required Oracle brand name software and services.

Oracle software has been implemented within a wide range of VA applications critical to the operation and success of the VA enterprise. These applications include the Veterans Benefits Management System; MyHealtheVet; Administrative Healthcare Data Repository; Healthcare Data Repository; Canteen Services Retail Operations; Cemetery and Monuments Management; Chapter 33 GI Bill Benefits; Enterprise Data Warehouse; Human Resource Management System; the QITC, HITC, AITC data centers and the new Million Veterans Program.

In support of these applications, VA requires an active database clustering capability, at the storage level that supports high availability, disaster recovery, and performance distribution. Oracle Real Application Clusters (RAC) is the Oracle technology that provides this capability. Microsoft and IBM solutions in this area are very limited and resemble active/passive characteristics which do not meet VA's needs. The VA's Enterprise Storage solution can only use Oracle RAC, for Geo-clustering where an active cluster can have a server node up to 100 Kilometers away online and part of the production system. This Geo-clustering functional capability is critical for redundancy and high availability in meeting VA's needs. Redundancy and high availability is a requirement for all VA mission critical production environments. IBM's DB2 PureScale clustering is only offered on AIX and Linux operating systems which does not meet VA's needs. In addition, Microsoft SQL Server only operates on a Microsoft Windows operating system. However, many legacy VA systems currently run on Solaris and HP-UX and are not compatible with AIX, Linux, or Windows. Finally, VA has multiple applications that rely on Oracle's Automatic Storage Management (ASM) file system, which provides the ability to eliminate the need for disk management or a volume manager at the operating system level. Eliminating overhead at the operation system level gives the database direct input/output access to the storage sub-system, a significant performance advantage, not offered by any other vendor.

The Oracle products being requested under the unlimited license portion of this acquisition are already in place within the VA infrastructure and/or support the expansion of programs currently in use. Oracle software is integral to the VA infrastructure and it is the core of numerous mission-critical and mission-essential applications supporting Veterans. VA must maintain complete interoperability with legacy systems already running on the VA Infrastructure, existing VA solutions that must be expanded to support user growth, and new systems being developed by VA.

If another brand of software were to be implemented, VA would face significant risks associated with complete re-writes of existing mission critical Veteran facing medical and benefits systems that could significantly impact services to Veterans. VA currently has over 200 customer facing applications relying on an Oracle infrastructure. These applications utilize over 600 Oracle Databases, over 1,000 WebLogic Middleware Servers, requiring approximately 5,000 Oracle Database and WebLogic licenses.

Development of the MyHealthVet application took approximately 3 years to complete, with a cost of \$60 million. The Healthcare Data Repository (HDR) application took 2.5 years to complete at a cost of \$50 million. If all 200 applications were required to re-architect their underlying database and middleware, each of the 200 applications would be required to be recoded, undergo functional and interoperability testing, security recertification management and increase interoperability risks over time due to two different support structure paths, and version upgrades requiring two times the amount of testing. Assuming the re-architecture would take even half as long as the original implementation, the re-architecture would still result in significant application delivery delays impacting services to Veterans, and an expensive duplication of cost already incurred by projects utilizing these products during their development and testing phases.

For new database deployments, VA requires a seamless and integrated enterprise database environment that is interoperable with existing VA Oracle database installations. Oracle database products are currently utilized for critical tasks throughout VA, such as claims processing, clinician collaboration, provision of patient care, Veteran medical records data entry, secure transmission of patient data, and real-time access to patient data by clinicians and patients. The solution must have no negative impact on the performance or availability of any existing VA applications utilizing the Oracle database product. For example, the Healthcare Data Repository (HDR) is a production application currently supported by an enterprise Oracle database. HDR receives and provides medical information to numerous other VA applications. If yet another application is developed by VA, HDR (or any of its other interfacing systems) must not be forced to implement changes to accommodate the new application.

For new middleware deployments, VA requires a seamless and integrated enterprise middleware solution that is interoperable with existing VA Oracle WebLogic applications. Oracle WebLogic products are currently utilized for critical tasks throughout VA, such as claims processing, clinician collaboration, provision of patient care, Veteran medical records data entry, secure transmission of patient data, and real-time access to patient data by clinicians and patients. The solution must have no negative impact on the performance or availability of any existing VA applications utilizing Oracle WebLogic products.

VA requires a seamless and integrated enterprise solution that is compatible with and runs on Linux, Solaris, HP-UX/AIX, UNIX and IBM Operating Systems. The Oracle solution is the only one that can satisfy this compatibility requirement.

In addition to the WebLogic and Database requirements listed above, VA requires a solution that allows for the purchase of maintenance and upgrades for other Oracle software products already owned by and deployed throughout VA. The software code is proprietary to Oracle and therefore the software support/maintenance updates/version upgrades can only be provided by Oracle or their authorized resellers.

6. Efforts to Obtain Competition: Limited competition is anticipated for the required software maintenance and support. Although the Government is limiting competition as a result of specifying a unique and highly specialized product and service, there are numerous authorized resellers of these services on the GSA SmartBuy Program. Limited competition for this requirement among these vendors is anticipated. The ordering activity will post the justification along with the Request for Quotation to GSA e-Buy in accordance with FAR 8.405-6(b)(3).

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.

8. Market Research: In November 2013, VA conducted market research, by issuing a Request for Information (RFI), to assess the current marketplace for an alternative to augment and expand the comprehensive, seamless integrated environment provided by the Oracle products currently in place at VA. No vendors responded to this RFI. Additionally in February 2014 the Government's technical experts reviewed similar items from IBM and Microsoft however these items could not meet VA's needs as outlined in paragraph five of this document.

In addition to the RFI issued in November 2013, VA published a second RFI in December of 2013. This RFI was targeted at resellers of Oracle products. VA received responses from five resellers indicating competition at the reseller level. Only authorized resellers can provide software maintenance updates, patching and service support for the VA existing and planned Oracle products. The software code is proprietary to Oracle and therefore the software support/maintenance updates can only be provided by Oracle through authorized resellers.

9. Other Facts: The products identified in this procurement are commercial-off-the-shelf products owned by Oracle. The Government has no data packages or rights to any of this software.

10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Brandon Storms

Date: 2/21/2014

SDE ESE TIPO Program Manager

Signature: B. Storms

11. Determination of Best Value: I hereby determine that the proposed contract action will represent the best value to the Government consistent with FAR 8.404(d). GSA has already determined that the prices on the SmarytBuy BPA are fair and reasonable based on price competition among authorized Oracle resellers. Additionally, a successful quotation will be compared to the Independent Government Cost Estimate.

Carol G. Newcomb

Date: 2/24/2014

Procuring Contracting Officer

Signature: Carol G. Newcomb

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

Carol G. Newcomb

Date: 2/24/2014

Procuring Contracting Officer

Signature: Carol G. Newcomb

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support an exception to fair opportunity and deem it legally sufficient.

Vincent Buonocore

Date: 2/24/2014

Legal Counsel

Signature: Vincent Buonocore

Approval

Based on the foregoing justification, I hereby approve the acquisition of an Oracle Unlimited License Agreement pursuant to the authority cited in paragraph 4 above, subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: 4-16-14

Signature:

  
Jan R. Frye  
Senior Procurement Executive