

JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

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 a 12-month Firm-Fixed-Price (FFP) contract with two 12-month option periods for the renewal of software maintenance and help desk support for Allscripts Transition II (TII[®]) Sunrise Financial Decision Support Manager software from Allscripts Healthcare, LLC. Allscripts Transition II (TII[®]) Sunrise Financial Decision Support Manager software is currently used enterprise wide by VA as its designated Managerial Cost Accounting (MCA) system.

3. Description of the Supplies or Services: Allscripts Transition II (TII[®]) Sunrise Financial Decision Support Manager software is proprietary Commercial-Off-The-Shelf (COTS) software. Allscripts Transition II (TII[®]) Sunrise Financial Decision Support Manager software was chosen as Veterans Health Administration's (VHA's) enterprise wide MCA system in 1992 following a three-way competition pilot. This software is designated as the system to exclusively provide VA with compliance to Public Law 101-576 (Chief Financial Officer (CFO) Act of 1990) and its government-wide cost accounting standards (per MEMORANDUM dated 11/6/1998 by the Acting Undersecretary of Health and VHA CFO). More recently, VHA DIRECTIVE 2012-031, "mandates the use of a MCA to meet the Federal Government's MCA requirements." Per current VA Financial Policies and Procedures, Volume XIII-Chapter 3, "VA's primary managerial cost accounting system is the Decision Support System (DSS)."

The MCA system transforms day-to-day operational data into tactical information that is used by leadership to make informed MCA operational decisions. The system's integration of clinical, financial and workload data enables decision-makers to determine costs down to an individual episode-of-care, product, and/or benefit provision, thus improving the quality of delivering medical care or benefits. Further, the MCA calculates the total operating costs of a network, medical center, station, or department and differentiates between fixed and variable costs and between direct and indirect costs. This enables management to establish a data-driven operating budget and to monitor any variances from expected costs and workload and also compare performance and productivity among VA stations and medical centers. The MCA is utilized at all levels of VA, from a single department at a clinic or regional office all the way to the Secretary, Office of Management and Budget (OMB), and U.S. Congress.

This contract will provide software maintenance services to Allscripts Transition II (TII[®]) Sunrise Financial Decision Support Manager software to include periodic functional maintenance and upgrades to the software, acting on customization requests to meet changing VA requirements, and consultative support to VA Austin Information Technology Center (AITC) staff charged with supporting all mainframe operations

related to the software. These services will ensure the software remains operational. Furthermore this proposed action will not include the purchase of any additional software.

4. Statutory Authority: The statutory authority permitting other than full and open competition is 41 U.S.C 3304(a)(1) as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

5. Rationale Supporting Use of Authority Cited Above: This effort is proposed to be awarded to AllScripts Healthcare, LLC (AllScripts), 8529 Six Forks Road, Raleigh, North Carolina, 27615. The Allscripts Transition II (TII®) Sunrise Financial Decision Support Manager software code is proprietary to AllScripts therefore only AllScripts has the ability to update, maintain and modify all MCA Code. Specifically, this proprietary software code is needed to understand the inner workings of the AllScripts Transition II (TII®) Sunrise Financial Decision Support Manager software in order to push through updates and modifications of the software's code. VA contacted AllScripts via email on June 17, 2014 requesting the ability to purchase the proprietary code to the underlying COTS software including all software modified to VA specifications. AllScripts failed to provide VA the option for purchase and associated costs of the proprietary code. Therefore, the proprietary software code is not available for purchase by the Government at this time. Failure to continue to maintain the Allscripts Transition II (TII®) Sunrise Financial Decision Support Manager, which is used as VA's MCA system, will put VA at risk of non-compliance with U.S. law and halt the wealth of reliable cost information provided to VA leaders, which is a necessary input for key management decisions. Furthermore, during implementation of Allscripts Transition II (TII®) Sunrise Financial Decision Support Manager as VA's MCA, VA required significant customization of the proprietary COTS code to enable the system to transform and accept VA data, including; the VA Financial Management System (FMS) financial data structure; attaching required Feeder Key and Feeder Locations to each clinical record in Vista; and modifications to enable the system to accept and report on tens-of-thousands of unique VA products and their costs, far in excess of the original COTS system design. Code customization has continued throughout the lifecycle of the MCA in order to fulfill VA's changing business needs, often to comply with U.S. statutes. For example, the system tracks special appropriations and instances of care for Veterans who served in Operation Iraqi Freedom and Operation Enduring Freedom. Today, the MCA allocates over \$30 billion in annual VA costs among 1.25 million products. Allscripts Transition II (TII®) Sunrise Financial Decision Support Manager software maintenance is the only software maintenance that can continue to maintain VA's MCA within the Department's current infrastructure, to ensure VA's compliance with current law.

6. Efforts to Obtain Competition: Market research was conducted, the details of which are in the market research section of this document in paragraph 8 below. The market research conducted did not yield any potential sources, other than Allscripts which could meet all of the Government's requirements. There is no competition anticipated for this

acquisition. Additionally, the proposed action will be synopsisized on the Federal Business Opportunities Page (FedBizOpps) in accordance with FAR Part 5.201. Any proposals received shall be evaluated.

7. Actions to Increase Competition: 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 May of 2014, the Government technical experts reviewed possible sources that provide similar software and maintenance services; however, none were capable of meeting VA's current requirements due to the aforementioned proprietary data constraints. Additionally, no sources were found that have ever provided the aforementioned services on the AllScripts Transition II (TII®) Sunrise Financial Decision Support Manager software other than AllScripts. Additionally, on April 24, 2014, the Government's technical experts conducted additional market research by posting a draft Product Description of the Government's needs in Request for Information (RFI) number VA118-14-I-0260 which was posted on FedBizOpps, RFI number 868747 which was posted on the General Services Administration (GSA) Schedule 70 and RFI number 177085 which was posted on the National Aeronautics and Space Administration's (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Government-Wide Acquisition Contract (GWAC). In each respective RFI, the Government requested capability statements from vendors that demonstrate their current ability to provide Allscripts Sunrise Decision Support™ Software Maintenance. The RFIs closed on May 1, 2014 and no responses were received. The software licenses and associated support services are proprietary to AllScripts and are not made available through any authorized resellers. Additionally, this is a support services contract for existing software the Government has already procured. Additionally, no sources were found that have previously provided support for the Allscripts Transition II (TII®) Sunrise Financial Decision Support Manager software other than AllScripts.

9. Other Facts: None.