

## 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, NJ 07724
2. Description of Action: The proposed action is for a twelve month firm-fixed price (FFP) purchase order with two (2) twelve month option periods for software licenses and software maintenance support for the DynaMed application software and the operational environment with Information Control Management Corporation (ICMC).
3. Description of Supplies or Services: The DynaMed software is installed and operational at the Bay Pines Medical Center. The proposed action is to renew the DynaMed single site software license (Basic) that is currently utilized in the Bay Pines VA medical supplies and surgical equipment inventory tracking system. The system functions on VA's current VistA Interface Engine (VIE) environment and monitors, orders, distributes, and calculates the usage of the items used daily by the medical staff. The DynaMed software is also utilized in testing and connectivity within VA's Integrated Funds Distribution, Control Point Activity, Accounting and Procurement (IFCAP) application. Additionally, the contractor will also provide maintenance that includes installation of new patches, minor releases, and bug fixing as well as telephone support for any reported issues. The total estimated value of the proposed action is [REDACTED] (inclusive of options).
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: The proposed source is ICMC, 12321 Middlebrook Road, Suite 200, Germantown, Maryland 20874-1581. All VA sites use the Generic Inventory Package (GIP) legacy system for financial and logistics functions, unless the VA authorizes specific sites to use an alternate system. Bay Pines VA Medical Center (VAMC) initially utilized GIP but in early Fiscal Year 2004, the facility was chosen as the test site for the \$249,000,000.00 Core Financial and Logistics System (CoreFLS) project, which was a suite combination of three software systems applications. ICMC's DynaMed, Oracle Financials, and Maximo were the three software applications chosen for their financial and supply inventory functions. The CoreFLS project was canceled in July 2004 because the Maximo and Oracle Financial software systems could not communicate or function properly, which catastrophically resulted in the inability to order supplies and services, create surgery case carts, maintain medical inventory, pay bills. Consequently, Bay Pines was given the authority to continue using DynaMed in August 2004 as it was the only software to communicate properly and interface with both IFCAP and VistA. The VA made another attempt for a financial

system modernization program with Financial and Logistics Integrated Technology Enterprise (FLITE), which was similar to CoreFLS, but this also failed in 2010. DynaMed remains the only functional and interoperable application to Bay Pines' existing VistA environment as well as Health Level 7 (HL7) messages transmissions to and from the VIE. No other company has the software to integrate or be interoperable or compatible with the currently fielded DynaMed system at Bay Pines. Only ICMC can provide the licenses, maintenance, and support for the DynaMed application. ICMC is the developer of DynaMed and is the sole licensor of its software maintenance support. The inventory system generates over 200 orders on a daily basis at a net value of \$2,000,000.00. Redevelopment of this effort would result in extensive delivery delays and substantial duplicated costs that would not be recovered through competition. Reverting back to the GIP system is also not feasible because there is no way to transfer the historical usage DynaMed data over the last ten years and the data archive would have to be rebuilt. Only ICMC possesses the expertise and proprietary data necessary to understand the functionality of DynaMed. No other vendor has access to the underlying code base. Failure to obtain the aforementioned DynaMed license and maintenance support renewal will have a direct and significant negative impact on Bay Pines VAMC patients. Without DynaMed, the entire inventory system will come to an immediate halt. Bay Pines VAMC will no longer be able to order necessary supplies and services, create surgery case carts, maintain medical inventory, and manage billing processes for medical staff in over 40 primary and 88 secondary stock room and warehouse locations within the Bay Pines VAMC, ultimately affecting Veterans' care.

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 sources that can meet 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 in accordance with FAR 5.201. Any proposals that are received shall be evaluated.

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 upcoming actions to be competed.

8. Market Research: Since February 2014, the Government's technical experts have been conducting market research by reviewing trade publications and performing internet searches for other vendors with similar medical inventory software. In addition to ICMC's DynaMed, four other groups with similar inventory tracking software were identified by the VA subject matter experts. These other potential sources included Accuware (ProActive Inventory Manager), Decision Software Solution (SupplyPro Software), Phoenix Data Systems (Aims.Net), and Oracle Financials (LifeSciences suite of medical software). However the Government's technical experts have determined that no other such product can communicate properly and integrate with IFCAP and VistA at Bay Pines VAMC. This is because VistA is an archaic system and is unable to communicate with

modern inventory control programs, such as the aforementioned potential sources. Any source other than ICMC would require significant time and costly modifications. Additionally, it would have to obtain software maintenance support from ICMC in order to update DynaMed, or completely redevelop the software as their own product and configure it into the current inventory tracking system environment. Based on this market research the Government's technical experts have determined that ICMC is the only source that can meet the Government's compatibility requirements with both IFCAP and VistA. The Government intends to procure an enterprise-wide financial and supply inventory solution in the future.

9. Other Facts: None.

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.

\_\_\_\_\_

Date: \_\_\_\_\_

IT Specialist

Signature: \_\_\_\_\_

11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on price analysis. The Government will compare proposed price to historical prices paid and with the Independent Government Cost Estimate. Additionally, the contracting officer may require the offeror to submit data to include the history of sales to non-governmental and governmental entities.

\_\_\_\_\_

Date: \_\_\_\_\_

Procuring Contracting Officer

Signature: \_\_\_\_\_

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief. As this contract action does not exceed \$650,000, the certification below required by FAR 6.303-2(b)(12) serves as approval.

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Date: \_\_\_\_\_

Procuring Contracting Officer

Signature: \_\_\_\_\_