

## 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 contract with two 12-month option periods for the renewal of brand name Software AG software maintenance support in support of the Philadelphia Information Technology Center (PITC) which processes the nationwide Veterans and their dependents insurance entitlements and dividends. The required brand name Software AG software maintenance support ensures the Adaptable Database System (ADABAS) software used by the PITC remains operational.
3. Description of the Supplies or Services: The proposed action is for the renewal of brand name Software AG software maintenance support for the PITC which processes the nationwide Veterans and their dependents insurance entitlements and dividends and dispenses approximately \$1.5 billion in dividends annually. The required brand name Software AG software maintenance support is required to ensure the ADABAS software provided by Software AG and used by PITC remains operational. The ADABAS software is the database management system for the PITC Insurance Payment System (IPS). All Veterans and beneficiary personally identifiable information, is digitally stored in the IPS, which runs on an International Business Machines (IBM) z/OS390 Model 2098-B02 business class mainframe at the PITC and utilizes ADABAS as primary database management system. The PITC IBM mainframe system processes the Veterans Benefit Administration (VBA) Insurance System benefits and applications for the nation's Veterans and dependents. The Software AG database management systems also operates under the IBM operating systems software routines and is an essential system software product which supports all the on-line insurance processing applications. The required brand name Software AG software maintenance will provide for downloads of fixes, patches, updated versions and troubleshooting and helpdesk support assistance. These services will ensure the critical ADABAS software remains operational.
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 for this action is Software AG Government Solutions Inc. (Software AG), 11700 Plaza America Drive, Suite 230 Reston, Virginia 20190. Software AG is the only source capable of meeting all of VA's requirements. The VBA Insurance System's

## Software AG Software Maintenance Support

numerous benefit applications supporting the Veterans insurance entitlements has utilized the ADABAS software routines for over two decades supporting the online Insurance System applications and associated databases. The majority of the insurance applications have been written to support the software code and routines that Software AG software utilizes; therefore, utilizing any other software would necessitate a major rewrite of various in-house applications to process them. The Software AG ADABAS products currently utilized by VA are wholly owned and licensed by Software AG and are considered proprietary software licenses. Further, because the software code is owned by Software AG, VA must utilize them for repairs, upgrades and maintenance issues. The Software AG ADABAS code is owned and developed by Software AG and the maintenance of this software must reside with them as no other sources outside of Software AG have access to their proprietary code. Software AG Government Solutions Inc. confirmed the code is not available for re-sale to allow for a competitive acquisition.

6. Efforts to Obtain Competition: Market research was conducted and the details are contained in the market research section below. The market research did not yield any additional sources, other than Software AG Government Solutions, that can meet the Government's requirements. There is no competition anticipated for this acquisition. Additionally, the proposed action will be synopsised 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: In order to overcome barriers to competition in future acquisitions for this required software maintenance described herein, the agency will work with the program office to perform additional market research so that other solutions can be considered.

8. Market Research: Market research was conducted in July 2014 and included a review of other software maintenance available that could meet all of VA's requirements. VA's technical experts reviewed software maintenance from IBM and Computer Associates; however since neither these vendors nor any other potential sources have access to the proprietary Software AG code, there are no other sources that can meet all of VA's requirements. The Contract Specialist performed further market research in July 2014 by contacting Software AG Government Solutions to determine if there were any authorized resellers of Software AG software maintenance in the marketplace. Software AG Government Solutions confirmed that the required software license is wholly owned and proprietary to Software AG Government Solutions and there are no authorized resellers for this product. Based on the above market research it has been determined that Software AG Government Solutions is the only responsible source that can provide Software AG software maintenance and technical support for VA's existing ADABAS software as there are no other vendors outside of Software AG Government Solutions that have been granted access to the proprietary software code.

9. Other Facts: None.