

JUSTIFICATION
FOR AN EXCEPTION TO FAIR OPPORTUNITY

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 firm-fixed-price delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for brand name Salesforce.com licenses and software maintenance and support.
3. Description of the Supplies or Services: VA Center for Innovation (VACI) has a requirement for additional Salesforce licenses to support VACI's Project Management application. Salesforce is a multi-tenant architecture Platform-as-a-Service (PaaS) with software delivered through an on-line web-based subscription service delivery model, commonly referred to as Software-as-a-Service (SaaS). VACI built a custom application using declarative and Apex coding, named VACI Project Management, using Salesforce's Force.com PaaS and Service Cloud SaaS products. Additional licenses and support for the solution are required to expand the use of VACI's Project Management Application and its various components, meet the rigorous security standards of VA including those required by the Federal Risk and Authorization Management Program (FedRAMP), offer an application exchange platform to enable the integration of external software, and provide a closed social network for collaboration on projects. VACI requires licenses for the software solution that are cloud-based, self-service, and self-configurable through declarative and Apex coding to adjust to changing demands in functionality in real time. All software licenses shall be delivered within 30 days of receipt and processing of the delivery order. The period of performance for software maintenance and support shall be 12 months from date of award. The total estimated value of the proposed action is [REDACTED]
4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. § 4106(c)(2), as implemented by the Federal Acquisition Regulation (FAR) 16.505(b)(2)(i)(B), entitled "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique and highly specialized."
5. Rationale Supporting Use of Authority Cited Above: Based on market research, as described in section 8 of this justification, it was determined that limited competition is viable among authorized resellers of Salesforce.com licenses, as well as software maintenance and support. Salesforce.com licenses are the only SaaS licenses that can be incorporated into the current VACI Project Management application built on the Salesforce platform. No other licenses are interoperable or compatible with the Salesforce platform or the Salesforce based VACI Project Management Application. Specifically, the current application is built on the Salesforce proprietary platform and

the source code is written in Apex. This platform allows VACI to build out additional functionality and extend its Customer Relationship Management (CRM) applications to meet current business processes and requirements for future projects.

Salesforce.com is the only CRM provider which includes automatic upgrades to the CRM application without any re-configuration or costs to VACI. No other SaaS licenses can provide this communication and re-configuration capability without this source code and platform that Salesforce.com has developed. Existing Salesforce SaaS licenses include 45 Salesforce Service Cloud, 33 Salesforce Platform, and 500 Salesforce Community Licenses. Over the last 18 months, VACI has developed an open source Project Management Platform based on the proprietary Salesforce platform. This application is shared within the Government and is being adopted for use by various entities within VA including the Office of the Deputy Secretary; MyVA Fusion Cell; MyVA PMO; MyVA Veterans Experience; MyVA Strategic Partnerships; Financial Management Services; and National Cemetery Administration. Additional licenses and related support are needed for each of these entities in order to fully implement the functional and collaboration capabilities for the existing Project Management Application.

In addition, Salesforce.com is the only provider of an on-line directory that allows for the posting and sharing of relevant Government applications which are pre-configured for the Salesforce instance. Applications can be reviewed, rated, test-driven, and installed within minutes. This directory is called the AppExchange.

Salesforce's SaaS delivery model enables the CRM tool to be available quickly and directly through a web browser, with no software to download or hardware to install. This is the most cost effective strategy for a remote team environment.

Salesforce.com provides fully integrated enterprise collaboration capabilities, which increases productivity within organizations and is ideal for information sharing within remote teams. Salesforce offers a highly secure environment that is compliant with Federal security guidelines and holds a FedRAMP Moderate Authority to Operate for its SaaS and PaaS offerings.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. This effort did not yield any additional sources that can meet the Government's requirements. It was determined, however, that limited competition is available among authorized resellers for the required Salesforce.com licenses, as well as software maintenance and support. In accordance with FAR 16.505(a)(4)(iii)(A)(2), this justification will be provided with the solicitation to all appropriate NASA SEWP V GWAC holders. Furthermore, in accordance with FAR 5.301 and FAR 16.505(b)(2)(ii)(D), the award notice for this action will be synopsisized on the Federal Business Opportunities website and the justification will be made publicly available within 14 days of award.
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: The Government's technical experts conducted market research by reviewing other similar SaaS software products. This market research is an

ongoing process, starting in 2013 and conducted again as recently as August 2015.

[REDACTED] Based on reviews of these products, the Government's technical experts determined that none of these products can meet the Government's interoperability and compatibility requirements previously discussed in section 5 of this justification. In addition, VA's technical experts also could not find any other sources that could provide the aforementioned software maintenance and support without access to the proprietary technical data for the Salesforce.com software. Unauthorized software providers do not have access to the proprietary data of the software to be able to provide troubleshooting, updates, fixes, patches, and upgrades. Based on market research, VA technical experts concluded that Salesforce.com products are the only commercially available products that can meet the Government's interoperability and compatibility requirements.

Additionally, Salesforce is the only CRM provider of these other products that includes a multi-tenant, hosted cloud development platform with the CRM license. This is called the Salesforce Force.com platform. Review of the various similar software products mentioned above that don't offer this required capability is based on actual VA experience using these products in various capacities from trial usage to using it over multiple years. Furthermore, VA networking Subject Matter Experts regularly review industry trade publications and conduct internet research to ascertain if any capable software is available. Based on all of these market research efforts, the Government's technical experts have determined that only Salesforce.com licenses and software maintenance and support can meet all of VA's needs.

In order to determine if there is a reasonable expectation of obtaining quotes from two or more responsible small business concerns, further market research was conducted in September 2015. The Contract Specialist utilized the NASA SEWP V Provider Lookup tool, and identified numerous authorized small business resellers of Salesforce.com licenses, as well as software maintenance and support that hold current GWACs. Therefore, limited competition is expected among small businesses for this proposed action.

9. Other Facts: None.