

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, NJ 07724
  
2. Description of Action: The proposed action is to include brand name specifications in a firm-fixed-price (FFP) delivery order (DO) to be issued under the National Aeronautics and Space Administration (NASA) Solution for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC).
  
3. Description of the Supplies or Services: The Veterans Benefits Administration (VBA) Loan Guaranty Service (LGY) requires International Business Machines (IBM) optical character recognition (OCR) Datacap software and maintenance support. IBM OCR Datacap software will provide an efficient data management process in order to streamline the loan review process and focus limited resources on protecting Veterans from fee overcharges, and experiencing inconsistent or burdensome credit qualification overlays. LGY is seeking to improve its ability to manage documents in its current environment; enhancing current processes by leveraging capabilities of the currently VA-owned IBM FileNet P8 suite of products that supports OCR of document images. LGY systems will use the enhanced OCR of standardized loan documents submitted by lenders for audit to automatically populate the loan document information in the automated full file loan review module of WebLGY. This environment would reduce the manual input of data information in the full review system, and allow LGY to increase the percentage of file reviews without sacrificing manpower in other important areas of concern within the program. Delivery of the software shall be 30 days after receipt of order. The period of performance shall consist of a 12-month base period with two 12-month option periods. The option periods are for maintenance support in order to receive continued support and any possible updates. 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) 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 or highly specialized."
  
5. Rationale Supporting Use of Authority Cited Above: Based on extensive market research, as described in section 8 below, the Government has determined that limited competition is available under the NASA SEWP V GWAC. The IBM FileNet suite of software was part of the VA architecture when VBA Information Technology (IT) applications, such as Virtual VA (VVA); LGY and Veterans Online Application were developed in 2007 using this software toolset. As of today, these applications are still in use at VA. As such, this IBM OCR Datacap software is the only software that is

compatible with the VA's existing solution for electronically capturing and retrieving Veterans' claim information. Any other software is unable to integrate with the currently fielded systems. No other software will be interoperable or compatible with the currently fielded VBA systems referenced above. Specifically, other products do not provide support for application interfacing which is critical for VBA systems. Furthermore, VBA systems require Java supporting the web application; other items do not support JavaScript in their Content editor which would require new specialized software code to be written. Additionally, IBM FileNet has a suite of products that only integrate together and allow for integration of Rule Engines which VBA systems are dependent on in order to automate some of the claims processing activities and is necessary for the system to function properly. Therefore, the existing VBA IT systems (VBMS, VVA and LGY) are dependent on this suite of proprietary software licensed by IBM. No source other than IBM or an authorized reseller can provide the required licenses or support. Changing to another solution would require not only a huge capital outlay, but would also require systems that are nationally deployed to be redeveloped. This would result in extensive delivery delays and substantial duplicated cost that would not be recovered through competition.

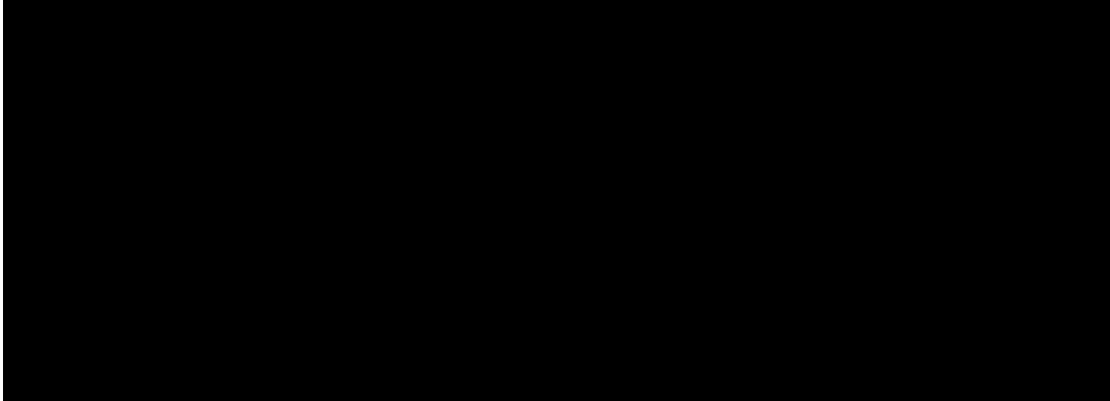
6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. This effort did not yield any additional sources that can meet the Government's requirements. It was determined that limited competition is anticipated among IBM authorized resellers. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsisized and the justification will be made publicly available at award on the Federal Business Opportunities webpage within 14 days after award. In accordance with FAR 16.505(a)(4)(iii)(A)(2) this Justification for an Exception to Fair Opportunity will be posted on the NASA SEWP V website with the solicitation to all contract awardees.

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.

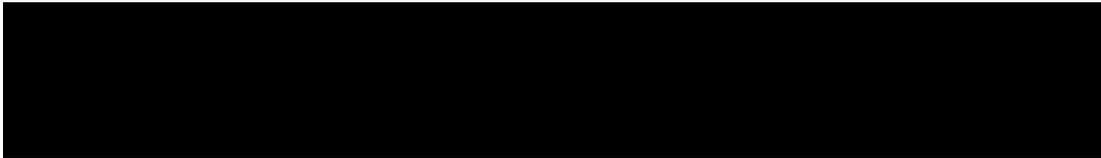
8. Market Research: Market research was conducted in June 2015 by VA technical personnel to ascertain if sources, other than IBM or its authorized resellers, can meet VA's needs. The Government's technical experts reviewed similar software to include Asprise, Kofax, and Abby. Based on an extensive review of these other items, none were shown to meet all of VA's requirements to include the aforementioned interoperability and compatibility with the VBA systems. Additionally, VA networking Subject Matter Experts regularly review industry trade publications and conduct internet research to ascertain if any other brand name software is available. Based on all of these market research efforts, the Government's technical experts have determined that no software is available that can meet all of VA's needs, other than IBM Datacap. A market research request for information was posted on the NASA SEWP V GWAC website on June 25, 2015 which yielded two technically acceptable responses. Accordingly, competition is anticipated from vendors on NASA SEWP.

9. Other Facts: None.

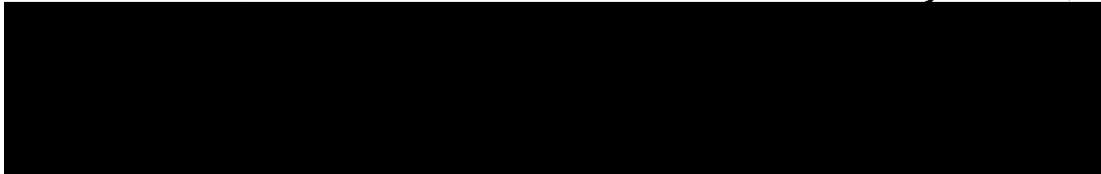
10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.



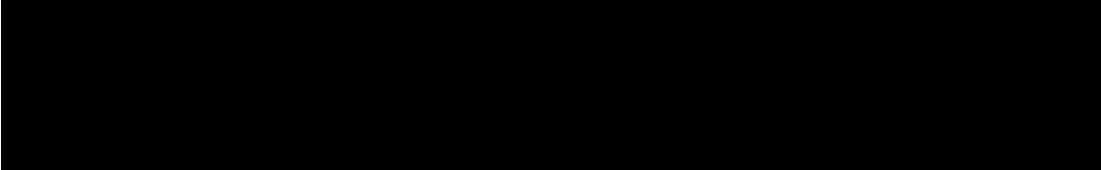
11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on the expectation of price competition in addition to the fact that prices under the NASA SEWP V GWAC have already been determined to be fair and reasonable. In addition, further price competition is anticipated for this effort and the successful quote will also be compared to the independent Government cost estimate.



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



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.



Approval

Based on the foregoing justification, I hereby approve the acquisition of an IBM optical character recognition Datacap software and maintenance support in the estimated amount of [REDACTED] on an other than fair opportunity basis pursuant to Section 41 U.S.C. 4106(c), subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

