

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: This proposed action is for a firm-fixed-price task order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for the Document Storage Systems (DSS) Insurance Card Buffer (ICB) software licenses and software maintenance support.
3. Description of the Supplies or Services: The proposed action is for the renewal of 141 DSS ICB software licenses and software maintenance support. Renewal consists of both the software licenses and software maintenance support. DSS ICB software has been installed and is operational at 141 VA health care facilities. The renewal of the DSS ICB software licenses will allow VA staff continued use of the existing software to support the Veterans' insurance card verification process. DSS ICB solution is a Veterans Health Information Systems and Technology Architecture (VistA) Class I, certified M-code application with a graphical user interface (GUI) between scanner hardware and VistA applications to include Appointment Scheduling, Insurance Buffer File, Patient Insurance File and Master Insurance File. DSS ICB software maintenance support provides access to all upgrade releases (both minor and major), modifications to software, all bug fix releases, periodic updates, enhancements, corrections to the software and Original Equipment Manufacturer (OEM) technical support. Software support includes telephone help desk support from 8:00 am to 7:00 pm Eastern Standard Time, Monday through Friday. Title 38 United States Code (U.S.C.), Section 1729 authorizes Veterans Health Administration to seek reimbursement from third-party health insurers for medical care provided by VA to insured Veterans for non-service connected (NSC) treatment or to service connected Veterans for their NSC conditions. The VA Chief Business Office (CBO) requires DSS ICB software maintenance support to continue to streamline the collection and verification of third party health insurance before billing and collections occurs. The period of performance is 12 months with four, 6-month option periods.
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) section 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 eight of this justification, it was determined that limited competition is available among authorized resellers of the required software licenses

and maintenance support. The OEM only allows authorized resellers to provide the software licenses and maintenance support for the DSS ICB software licenses and maintenance. VA's only requirement is for the renewal of the DSS ICB software licenses and maintenance support. The VA's CBO has designed an Insurance Business Process Model which relies on the DSS ICB software to create an Insurance Card Scanning System so that health insurance can be obtained for the revenue collections processes which includes billing medical claims to insurance companies and collecting monies from third party health insurance for Veterans' care. This system provides VA intake and verification clerks an electronic system to capture new and existing insurance information while also providing methods to verify this information for Veterans. The CBO insurance standardized business process is an appointment-driven, business process used to capture and verify insurance information and demographic data that integrates core functions, technology and metrics used in the private sector. The existing DSS ICB software licenses are the only items that allow the VA staff to use the GUI functionality that overlays the VistA roll-and-scroll software thus providing staff with an easy point-and-click solution necessary for VA's increased workload production of verifying Veterans' third party health insurance. Once these insurances are verified, medical claims are then billed and the revenue is collected for Veterans' care. DSS ICB software licenses and maintenance support is required to ensure that the ICB continues to work with the various components of the Insurance Card Scanning System. No other brand name software can work with these various components which are coded in DSS' proprietary code. Since the VistA application undergoes periodic changes, the ICB software must also undergo changes to ensure compatibility and interoperability with the Insurance Card Scanning System. Without the DSS ICB software license, the scanned image of an insurance card cannot be viewed which would leave the hardware scanning devices useless because VistA's Optical Character Recognition (OCR) viewing ability is non-existent. Using these scanned images through the DSS ICB software solution provides a complete and interoperable solution that ties in the processes of capturing and verifying insurance information. VA requires annual license renewal and maintenance support for the existing ICB software already in place along with options to provide for additional maintenance in the future.

Acquisition of a replacement solution would require development, testing and implementation at all affected VA health care facilities which could take 2-4 years to complete. No other software licenses and maintenance is compatible with or interoperable with the existing Insurance Card Scanning System due to DSS ICB's proprietary data to include source codes. The DSS GUI interface is proprietary to the manufacturer. No other software can interoperate with the VistA applications which include Appointment Scheduling, Insurance Buffer File, Patient Insurance File and Master Insurance File. Failure to acquire the aforementioned software licenses and maintenance support would prevent obtaining software upgrades and risk interoperability concerns with VistA applications. DSS ICB software licenses and maintenance support are the only licenses and maintenance support that meet the Government's requirements.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this justification. The research did not yield any additional sources, other than authorized resellers, that can meet the Government's requirements. It was determined, however, that limited competition is viable among authorized resellers for this software license. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), the award synopsis and the justification will be made publicly available on the Federal Business Opportunities Page within 14 days of award. The justification will also be posted to the NASA SEWP V GWAC website along with the Request for Quotation.

7. Actions to Increase Competition: The CBO is developing a VA owned replacement solution for DSS ICB software. Development of the solution is currently in progress. Deployment will be conducted one site at a time, to ensure full deployment and transition from DSS is seamless to the users. The planned software full deployment is estimated for December 2017. Upon completion, the software/solution will be "owned" and operated wholly by VA (i.e. Software, hardware, and intellectual property).

8. Market Research: The Government's technical experts conducted market research in April 2015 by reviewing other similar software. The other similar software reviewed included Inuvio OCR and MedicScan OCR. Based on review of these products, the Government's technical experts determined that neither of these products can meet the Government's interoperability and compatibility requirements previously discussed in section five of this justification. Additional market research was conducted in May 8, 2015 utilizing the NASA SEWP V Quote Request Tool by posting a Request for Information (RFI) announcement inclusive of a product description listing salient characteristics of the required ICB software licenses and maintenance support. On May 20, 2015, the RFI closed and only one response was received from an authorized reseller of the DSS ICB software licenses and associated maintenance support.

Additional market research was conducted by contacting the OEM, DSS, Inc. On October 23, 2015, the Technology Acquisition Center sent market research questions to DSS, Inc. and it was confirmed that there are two authorized resellers of the software licenses and maintenance support on the NASA SEWP V GWAC. As a result of this market research, there is reasonable expectation that limited competition exists on the NASA SEWP V GWAC for the DSS ICB software licenses and maintenance support.

9. Other Facts: N/A