

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
1701 Directors Blvd, Ste. 600
Austin, TX 78744
2. Description of Action: The proposed action is for a firm-fixed-price delivery order, issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP), Government Wide Acquisition Contract (GWAC) to purchase subscription for 407 Concurrent User Licensing and Support of IBM SPSS Software to enable Loan Guaranty Service (LGY) Program Analyst staff to data mine Veteran Loan Guaranty data.
3. Description of Supplies or Services: The proposed action is to provide 407 brand name International Business Machines (IBM) SPSS Statistics perpetual software licenses and software maintenance for one year to the VA Loan Guaranty Service (LGY) staff. The IBM licenses will provide data mining and reporting capabilities; IBM license provide statistical analysis software that delivers the core capabilities required to manage the analytical process from start to finish. The software maintenance will consist of software upgrades and technical support which includes 24 hours day, 7 days a week assistance. LGY have been utilizing VHA licenses to analyze loan guaranty data in order to make inform decisions, mitigate risks for loans, and provide reporting for senior leadership. The period of performance for the licenses will be 12 months. The total estimated price for this 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) Subpart 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 market research, as described in paragraph 8 in this document, it was determined that limited competition is available among authorized resellers for the aforementioned software licenses. IBM SPSS software and product licenses and maintenance support provides a unique solution that is compatible and interoperable with existing LGY system(s) and infrastructure. The LGY has been using the SPSS software since 2005, and as such, its utility and effectiveness is proven. Accurate data within the LGY program is critical for analyzing trends and forecasting future loan needs. The SPSS software is a foundational component that enables LGY program staff to have accurate information. If a different solution were chosen such as SAS Analytics software or R Project, the VA would lose the past two years of analytical data and would have to spend time and increased expense to integrate the new software solution. Training would be needed as would time to come up to speed. VA subject

matter experts estimate the cost impact to be \$400K to \$600K; this includes lost work hours for training, data conversion, quality control and reduced functionality of operations. That does not include the impact to the rest of the program when they need data or policy analysis done. In conclusion, no other software is compatible or interoperable with the existing IBM software, proprietary database structures, protocols, and software application programming interfaces. The brand name IBM software licenses are the only software that meets the Government's requirements.

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. It was determined however that limited competition is viable among authorized resellers for this brand name licenses. 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 on the Federal Business Opportunities Page within 14 days of award of the order. The justification will also be posted on the NASA SEWP V GWAC website in accordance with FAR 16.505(a)(4)(ii)(A)(1).

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 by Government technical experts in April 2016 by reviewing the NASA SEWP V GWAC. Through the use of the Provider Look-up Tool on the NASA SEWP V GWAC website, numerous resellers of the required IBM SPSS software were identified which could meet VA's needs. The Government's technical expert also conducted web-based research and reviewed similar products, such as R Project and SAS. As a result of the market research, the technical experts confirmed that no other software products will support VA's existing infrastructure protocols, interoperability and compatibility requirement. Therefore, IBM or its authorized resellers are the only sources capable of providing a product that meets the proprietary nature of the software maintenance services required for LGY infrastructure needs. It is in the VA's best interest to procure the IBM SPSS software brand name product, which meets all of VA's current needs.

The Contract Specialist conducted market research in July 2016 by using the NASA SEWP V GWAC Market Research tool searching the key word IBM and several Service-Disabled Veteran-Owned Small Business authorized resellers capable of meeting the full requirement.

9. Other Facts: None