

LIMITED-SOURCES JUSTIFICATION

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 for a sole source task order to be awarded under General Services Administration (GSA) Federal Supply Schedule (FSS) Information Technology (IT) 70 contract number GS-35F-0170K to Executive Information Systems (EIS) for SAS brand name licenses, software maintenance, and associated services.

3. Description of the Supplies or Services: VA Financial Service Center (FSC) has a requirement to procure maintenance, one Statistical Analytical Services (SAS) Cost and Profitability Management (CPM) software suite perpetual license with an optional task to procure two additional perpetual licenses at any time during contract performance as well as procure the required associated services. The associated services are defined as installation and configuration of the SAS CPM software suite, operational consulting services in order to improve FSC's current and future SAS CPM cost accounting models, which includes cost-accounting for additional Franchise Fund Enterprise Centers within VA. Further, VA requires annual software technical support and maintenance for the SAS CPM software. This annual support will be inclusive of telephone, e-mail, fax, and web support between the hours of 6:00AM through 6:00PM, Central Standard Time, Monday through Friday. Included with the annual software maintenance, VA requires the ability to receive and retrieve electronic patches/pushes, as well as major and minor releases of the required software. The period of performance consists of a 12-month base period, with three 12-month option periods for continued maintenance and support, and optional tasks to procure two additional perpetual licenses and associated support.

4. Authority: This acquisition is conducted under the authority of the Multiple-Award Schedule Program. The specific authority providing for a limited source award is Federal Acquisition Regulation (FAR) Part 8.405-6(a)(1)(i)(B), "Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized."

5. Rationale Supporting Use of Authority Cited Above: The proposed source for this action is EIS LLC, 6901 Rockledge Drive, Suite 600, Bethesda, MD 20817. This requirement can only be provided by SAS's sole authorized reseller, Executive Information Systems, LLC, 6901 Rockledge Drive, Suite 600, Bethesda, MD 20817 under GSA Federal Supply Schedule IT 70 contract

number GS-35F-0170K. SAS CPM software is a cost accounting solution, allowing end users to track cost of activities and transactions across an organization, assign cost to multiple dimensions (i.e., product lines, organizations, services), produce reports, and evaluate the impact of costs on profitability. FSC currently owns a version of the SAS Activity-Based Management suite application and it is an integral part of FSC's cost accounting business operations.

VA requires an upgrade to the SAS CPM software suite to perform Activity Based Costing (ABC) data modeling and produce ABC reports, which are relied upon to track business line performance, drive cost-efficiency, and inform product line rates charged by FSC for services provided to VA and Other Government Agency clients. The SAS CPM suite includes SAS Data Integration Studio, SAS Management Console, SAS Enterprise Guide, and SAS Visual Analytics.

The procurement of SAS CPM software suite would satisfy several unique FSC functional requirements. Specifically, FSC requires a fully automated data integration tool suite. Market research conducted shows that like products, while manually able to import and integrate information, cannot satisfy the functional requirement to automatically integrate the data. Without the ability to automatically integrate the data, there is increased risk that data modeling results would be inaccurate. Additionally, VA has a functional requirement to be able to pull and analyze information from multiple data sources. Only the SAS CPM software suite, specifically the SAS Data Integration Studio component, satisfies VA's requirement to enable users to setup, schedule, and edit data integration on a single platform; automatically capture and manage standardized metadata from any source; and easily display, visualize, and understand enterprise metadata and data integration processes. VA FSC utilizes a variety of data sources, including Structured Query Language (SQL) databases, Microsoft Access databases, Microsoft Excel, and Oracle databases, which require this flexible and robust data integration solution. Further, based on market research, the utilization of other similar software, other than SAS CPM software suite, would require all data be reformatted into that solutions proprietary staging tables, or using prescribed spreadsheet templates, or require multiple monthly wizard imports by FSC staff, thereby failing to meet the functional requirement for pull and analyze data from multiple sources. This functionality of metadata management provides VA the ability to leverage all characteristics of FSC ABC data in order to perform extensive impact analysis of potential changes made to VA's ABC model. This critical functional requirement is required by FSC, a Franchise Fund fee-for-service organization, which must continuously account for the impact of changes in customer demand, requirements, and programmatic growth.

Additionally, only the SAS CPM software suite meets the FSC functional requirement of a single point of control for managing resources that are used throughout the ABC modeling process. For example, SAS Management Console

performs administrative tasks like maintaining and updating server definitions, library definitions, user/group/role definitions, access controls to resources, metadata repositories, and job schedules. Based on the market research conducted, other similar software, such as QPRCostControl CostPerform, can perform user/group/role definitions, but does not provide the comprehensive administration tasks listed above which SAS Management Console performs. Without this capability, it would be necessary for FSC to have a dedicated system administrator resource in order to produce timely ABC reports. Further, SAS Enterprise Guide and SAS Visual Analytics provide for extensive reporting and analytics on a user-friendly graphical user interface application. This allows FSC cost accountants and budget analysts to produce analyses and distribute reports without the need of IT support. Visual Analytics allows for ABC reports to be understood in the format of a visual, interactive dashboard that can be easily navigated by FSC leadership to understand profit and loss variances and associated root causes.

Furthermore, as part of this procurement, VA requires the aforementioned associated services, as described in section three of this document. Specifically, VA requires services from SAS or its authorized reseller to perform the installation and configuration services to upgrade FSC from the SAS Activity-Based Management suite application to SAS CPM software suite. These installation and configuration services are required to be performed by SAS, or its authorized reseller EIS, as no other source has access to the proprietary SAS source code. Without access to this proprietary source code, installation cannot be completed, as code may need to be manipulated to ensure full integration with the FSC's existing SAS Activity-Based Management suite. VA also requires operational consulting services in order to improve FSC's current and future SAS CPM cost accounting models, which includes cost-accounting for additional Franchise Fund Enterprise Centers within VA. The primary focus of these services will be to make recommendations on the improvement of current cost account model designs, cost allocations, and reports. This requirement can only be provided by the Original Software Developer (OSD) or its authorized reseller, as these sources are the only ones with the requisite knowledge of the SAS CPM software suite. Therefore, no other vendor can perform the required installation and configuration services.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section eight of this justification. This effort did not yield any additional sources that can meet the Government's requirements. There is no competition anticipated for this acquisition. Additionally, in accordance with FAR 5.301 and FAR 8.405-6(a) (2), the award notice for this action will be synopsisized and the justification will be made publicly available within 14 days of award on the Federal Business Opportunities Page. Additionally, in

accordance with FAR 8.405-6 (a)(3)(i), this justification will be posted with the Request for Quotation on the GSA E-Buy site.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be competed. Specifically, the Government will continue to investigate alternatives to SAS CPM software suite and services that may provide the required capabilities, or whether SAS permits future third party access to its proprietary software to provide the required maintenance and support.

8. Market Research: The Government's technical experts performed market research in June 2016 by researching other similar software and support that could be used and to ascertain if there are other sources that could meet VA's requirements. GSA Advantage was utilized to identify three other Cost and Profitability Management tools that can be utilized for cost accounting purposes. These tools include SAP BusinessObjects Profitability and Cost Management; Oracle Activity-Based Management (ABM); and QPRCostControl CostPerform. All three of these products lack a fully automated data integration tool and do not provide a single point of control, as required and discussed in section five above. Specifically, SAP BusinessObjects Profitability and Cost Management uses multiple platforms to perform activity based costing, data management/integration, and reporting. Further, review of the Oracle ABM revealed that data must be input into an Oracle ABM spreadsheet template, or loaded into Oracle ABM staging areas, thereby not satisfying VA's requirement to pull cost data automatically from multiple data sources. Both the Oracle and SAP solutions do not provide the required automated tools, thereby requiring additional workload/user input in order to integrate data. QPRCostControl CostPerform does not provide for automated data integration required by FSC.

In August 2016, SAS was contacted to determine if there were additional Government distribution channels for the required services; however, SAS responded that it does not provide the required software and services directly to the Government, and only utilizes EIS as its sole reseller. Additional market research was conducted in August 2016 through discussion with the Original Software Developer to determine if there were any Service-Disabled Veteran-Owned Small Business resellers capable of meeting the requirements. SAS responded with a letter dated August 29, 2016 stating that EIS is only reseller that can provide the Government with the required SAS software, maintenance, and services, and no other reseller is authorized to provide these services. Therefore, no competition is anticipated for this effort.

9. Other Facts: None.