

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 that will be issued under the Transformation Twenty One Total Technology Next Generation (T4NG) Program, indefinite delivery, indefinite quantity (IDIQ) Contract Number VA118-16-D-1017 with International Business Machines (IBM), Corp., for the procurement of an Optical Character Recognition (OCR) Metadata capability software solution.
3. Description of the Supplies or Services: VA Office of Information & Technology (OI&T), Enterprise Program Management Office (EPMO), has a requirement for the inclusion of an adaptive Optical Character Recognition (OCR) solution for metadata identification and capture capability as an enhancement for the VistA Imaging Capture client for scanned and electronic documents. The OCR metadata capability shall improve document intake processing, metadata identification and mapping. In addition, documents processed via OCR metadata identification shall provide improved searchability of clinical documents submitted to the VHA from non-VA healthcare providers and stored in VistA Imaging via the Enterprise Health Management Platform (eHMP) project search engine for eHMP users. The developed OCR Metadata capability solution will initially be implemented and configured in a VA development/test environment with access to a test VistA Imaging environment. Based upon successful implementation in the test environment and VA leadership decision, deployments to production on a limited and full-scale release may follow. The Period of Performance for this effort shall be a 12-month base period, with two 6-month option periods and three additional optional tasks. The maximum length of this effort will be 24 months, inclusive of all options and optional tasks.
4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c)(4) as implemented by the Federal Acquisition Regulation (FAR) Subpart 16.505(b)(2)(i)(D), entitled "It is necessary to place an order to satisfy a minimum guarantee."
5. Rationale Supporting Use of Authority Cited Above: The proposed source for this effort is IBM Corp., 6710 Rockledge Drive, Bethesda, MD, 20817. Solicitation VA118-15-R-0558 was issued competitively, utilizing the Federal Business Opportunities (FBO) website on November 19, 2014. The solicitation closing date was December 19, 2014. Twenty-four offerors were chosen for an award in accordance with the criteria set forth in the Basis for Award of the solicitation. Included in the solicitation was FAR clause 52-216-22, Indefinite Quantity, which stated the minimum guaranteed award for each resultant contract award under the T4NG contract. This order is being issued to IBM, Corp. to satisfy the minimum guarantee. IBM, Corp. has been determined by the

Government's technical experts to meet all aforementioned required services. The determination included a review of the selected awardee's technical capabilities.

Option periods and optional tasks are included in this effort due to both the developmental nature of the proposed software solution and its intended implementation. The OCR Metadata capability will be used within VistA under the eHMP project. VistA, however, is not a standardized system. As such, limited initial releases and its full production release of the OCR Metadata capability will require re-engineering and configuration changes to allow for its function within varied VistA instances in the field. These modifications will be required to ensure the OCR Metadata capability will provide the same document search capability across the VA enterprise-wide. The included option periods and optional tasks will allow the VA to obtain anticipated changes to the OCR Metadata capability during its post-development deployment under the limited initial production and subsequent full national releases.

Further, the proposed OCR Metadata capability will be used in conjunction with OCR software (originally sourced from IBM) used with the eHMP Image Viewer. Continuity of services beyond the base period of performance will be necessary to ensure appropriate and full integration of this OCR Metadata capability within IBM's OCR software (procured by the VA under a separate but related acquisition) that will be part of the VA's Image Capture workflow within VistA.

The Government's technical experts have determined that IBM is capable of providing all aforementioned services for an OCR Metadata capability that will be used with the eHMP Image Viewer. The determination included a review of the selected awardee's technical capabilities.

IBM, as the developer of the OCR software, possesses a high degree of inherent technical and engineering knowledge deemed necessary to ensure a successful national release that meets the VA requirements in the most cost effective and efficient manner. IBM also possesses the technical knowledge and expertise to implement the OCR Metadata capability into its own separate OCR software product most efficiently, effectively, and in support of the clinicians as well as Veterans.

A minimum guaranteed order under an IDIQ contract must be placed during the same fiscal year as the IDIQ is awarded to avoid a bona fide need violation and until it is placed, there is no enforceable contract. Once the IDIQ contract has been awarded, an obligation is created. Given the time remaining in the fiscal year, it is not possible to compete the orders with an expectation that each remaining T4NG contractor not meeting the minimum will be awarded one.

6. Efforts to Obtain Competition: In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsized at award on FBO and the justification will be made publicly available within 14 days after the award. In

addition, this justification will be posted with the solicitation to notify all the T4NG vendors.

7. Actions to Increase Competition: There is no competition anticipated for this action as it is being issued to meet the mandatory minimum guaranteed value for this IDIQ contract. It is expected that any future requirements will be awarded on a competitive basis.

8. Market Research: Market research was not conducted for this effort. The order is being issued to meet the mandatory minimum guaranteed value for this IDIQ contract.

9. Other Facts: Twenty-one of the T4NG contracts were awarded on March 7, 2016. An additional three contracts were awarded on June 10, 2016. Due to protests, these contracts were not available for use until June 21, 2016. An additional four contracts were awarded on August 2, 2016, for a total of 28 T4NG contracts. Fourteen awards have been made competitively, resulting in the minimum guarantee being met for six of the T4NG contractors.