

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
260 Industrial Way West
Eatontown, New Jersey 07724

2. Description of Action: The proposed action is for a firm-fixed-price delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government Wide Acquisition Contract (GWAC) for International Business Machines (IBM) Maximo software license subscriptions and technical support.

3. Description of Supplies or Services: VA has a requirement to renew and update IBM Maximo software license subscriptions and technical support for the Service Oriented Architecture Research and Development (SOARD) program. The SOARD program has been managing a multi-year development and transition project to replace aging legacy applications. VA's legacy asset management software capabilities are insufficient to satisfy the VA's requirements. The purpose of the Maximo suite of products is to provide a modern, integrated, web-based software solution to the totality of the asset management lifecycle within VA. As this multi-year project has progressed from the pilot phase to deployment, more and more VISNs are being added through a rolling deployment until Maximo has become fully deployed throughout VHA. VA has a requirement to renew three existing IBM Maximo software license subscriptions and technical support and procure three new IBM Maximo software license subscriptions and technical support. Specifically, VA has an immediate requirement to renew, at the current usage level, IBM Maximo Asset Management unlimited enterprise license, IBM Maximo Asset Management Express Authorized enterprise license, and IBM Maximo Anywhere Add-on license subscriptions, with all three licenses inclusive of associated technical support. Additionally, due to the evolution of IBM Maximo licenses and rehosting of the software on the IBM zSeries mainframe at Austin Information Technology Center (AITC), part numbers, descriptions and quantities required updating. VA has a requirement to acquire two new unlimited enterprise licenses for IBM Maximo Asset Management Concurrent User and IBM Maximo Asset Management Express Concurrent User, both licenses inclusive of technical support. Also, VA requires new subscriptions of IBM Anywhere Add-on licenses with associated technical support. These brand name software licenses and technical services will provide for updates to the IBM zSeries mainframe at AITC, sustain and support the existing Maximo deployment at the current 16 sites, and provide the resources to fully deploy the new solution at all 23 VISNs by 2018; thus, modernizing the tracking of medical assets throughout VA.

The technical support for IBM Maximo Asset Management and Anywhere software licenses shall provide telephone and on-line support which includes download and access to fixes, feature packs, security alerts and patches, incremental enhancements,

new releases and new versions of the software. VA requires the annual renewal and updates of the software subscription and technical support to ensure that VA's needs are met and the software remains operational. The period of performance shall be 12-month base period with two, 12-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) 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 extensive market research as described in section 8 of this Justification, it was determined that limited competition is viable among authorized resellers for the brand name IBM Maximo software license subscriptions and technical support as described in paragraph three of this justification. The SOARD Project has been in operation since March of 2012. By the end of its pilot phase in October 2014, the project had successfully deployed Maximo to three sites and completed eight configuration releases, or Sprints, each with incrementally greater capabilities. On May 18, 2015, Maximo was hosted at the AITC, opening the door for deployment to new sites and continued configuration of Maximo capabilities. VISN 23 agreed to partner with the SOARD Project to further refine the site readiness and deployment process. Sprint 9 was initiated in July 2015 to deploy to three new sites in VISN 23, with deployment to all sites in VISN 23 to be completed in Sprint 10 (November 2015 – March 2016). On July 23, 2015, the Executive Director, Field Operations, Service Delivery and Engineering issued the Migration to SOARD-Maximo for Information Technology Enterprise Asset Management memorandum. The memo authorized the three currently deployed sites (Northern California Health Care System, Iowa City Veterans Affairs Medical Center (VAMC), and Cleveland VAMC), as well as any new and future sites deployed with SOARD Maximo, to migrate all Information Technology (IT) asset management functions from the Automated Engineering Management System/Medical Equipment Reporting System (AEMS/MERS) to SOARD Maximo. On October 9, 2015, the Acting Deputy Under Secretary for Health for Operations and Management issued the Implementation of Maximo Maintenance and Asset Management memorandum. The memorandum communicated that VHA is deploying the IBM Maximo asset management software and technical support across all VISNs. As of November 7, 2016, SOARD Maximo is currently operational in sixteen VAMCs. Configuration of Maximo and the mobile capability for National Deployment is scheduled for completion by Sprint 12 (March 2017). At the conclusion of Sprint 12, Maximo will be deployed by VISN in a series of "Waves" with Go-Live dates that span twelve months concluding in the March 2018 timeframe.

The Maximo system serves a critical function providing lifecycle support for over 10,000 Real Property Assets valued at over \$200B and over 12 million Equipment Assets valued at over \$25B. Maximo is used by Biomedical Engineering, Facilities Management, and Environmental Management to manage work orders, scheduled maintenance, safety recalls, and other functions necessary to provide a safe and

effective environment of care. Maximo is used by Logistics and OI&T for property accountability.

It is imperative that the Maximo software license subscriptions and technical support services are renewed and additional licenses procured to ensure the Maximo system functions properly and remains current over time as well as provide for VA's rapidly growing demands. Furthermore, due to the proprietary nature of the current Maximo system, it is not possible to use any other software or technical support for continued operation of the IBM Maximo system at AITC because no other vendor's software is compatible with or interoperable with the existing IBM Maximo infrastructure. The existing infrastructure is comprised of the aforementioned sixteen VAMCs which are all comprised of IBM items. These sites must all communicate with each other and due to proprietary constraints, can only work with IBM items. When Maximo is deployed to a new site/VAMC, it is deployed as an integrated solution across all functional communities. If VA were to replace the IBM suite of license subscriptions, VA would have to reconfigure 12 sprints of configuration and lose five years of implementation. Henceforth, VA would have two systems of records— AEMS/MERS and SOARD Maximo. Introducing another solution would result in moving away from a single, web-based, integrated, enterprise-level system.

In order to provide the required software technical support, access to IBM Maximo proprietary source code is required. The required software maintenance and technical support must be compatible with the existing infrastructure protocols and functionality for continued use and operational availability of the software. Any other brand name solution would require its own proprietary source code and infrastructure. Only IBM and its authorized resellers have access to the proprietary source code to provide the required maintenance and technical support which includes software updates, patches and upgrades. Access to this code is essential in ensuring the services provided are properly configured and all patches and updates are properly pushed through.

Based upon the above information, only IBM or an authorized reseller have the ability to meet the VA's functional requirements. No other brand product is compatible with, or interoperable with, the existing IBM Maximo proprietary structures, protocols, and software application programming interfaces. Failure to acquire compatible software license subscriptions and technical support would cause operational failure. Technical support provides VA with the capability to reduce the risk of system outages, degraded system performance, and reliability of interfaces with other core systems.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in market research section of this justification. 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 the required licenses and maintenance support. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), the award notice for this action along with this justification will be synopsisized on the Federal Business Opportunities Page within 14 days of award, and this justification will also be posted to the NASA SWEP V GWAC website along with the Request for Quotation.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if any new software maintenance and technical support that is compatible with the current Maximo system is developed which would enable future actions to be competed.

8. Market Research: The Government's technical experts performed market research in April 2016 and November 2016, by researching other similar software products and technical support to ascertain if other products existed within the market place could meet could meet VA's functional requirements. Specifically, the Government's technical experts reviewed similar products and technical support maintenance plans from Dell federal Systems, Intelligent Decisions, ImmixGroup, Sword & Shield, and PC Mall Government, Inc. Based on the reviews of these products, the experts determined that none of these products can meet the Government's interoperability and compatibility requirements with the existing VA's single, web-based, integrated, enterprise-level IBM Maximo system. The experts confirmed that the source code required to interface between the existing architecture components and issue software updates is proprietary. Additionally, on December 5, 2016, IBM notified the Government that the source code is not for sale. No other solutions can seamlessly integrate into the current IBM Maximo infrastructure. As such, the Government's technical experts have determined that only IBM Maximo brand name software license subscriptions and technical support can meet all of the VA's needs.

In December 2016, additional market research was conducted by the Technology Acquisition Center by utilizing the NASA SEWP V GWAC Provider Lookup tool to ascertain the extent of limited competition among resellers. The results of the search found that there are 105 resellers of IBM products that could possible meet VA's needs. It was determined that there is adequate competition for the IBM Maximo software license subscriptions and technical support on NASA SEWP V GWAC.

9. Other Facts: None