

### 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 non-competitive firm-fixed price delivery order to be issued under General Services Administration (GSA) Federal Supply Schedule (FSS) Information Technology (IT) 70 contract number GS-35F-0382T to MCI Communications Services, Inc., doing business as Verizon Business Services (Verizon), for Verizon Public Key Infrastructure (PKI) Shared Service Provider (SSP) services, recovery and revocation services, and associated technical support services.
3. Description of the Supplies or Services: VA, Office of Information and Technology, Service Delivery and Engineering, Enterprise Systems Engineering (ESE), Enterprise Messaging and Collaboration Services has a requirement for full spectrum PKI SSP services, which includes configuration, certificate validation, and software certificate registration of the existing VA Personal Identity Verification (PIV) Card Management System. The PKI SSP services shall include issuance, revocation, renewal, and recovery of digital certificates and keys for VA end-entities (cardholders); however, these services will not increase the existing infrastructure which currently consists of 500,000 seat licenses, with each seat including up to four certificates. PKI SSP services are required to meet the technical specifications and requirements for compliance with Homeland Security Presidential Directive 12 and Federal Information Processing Standard 201-1. VA also requires a recovery capability for all existing escrowed PKI encryption keys previously issued by Verizon under prior contracts and a source to provide revocation for any certification that has been issued that is currently active. Additionally, VA requires technical support of the existing Verizon certificate recovery system. The period of performance shall include a 12-month base period with one 12-month option period. The total estimated value of the proposed action is [REDACTED] inclusive of the option period.
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 is MCI Communications Services, Inc., doing business as Verizon, 22001 Loudon

County Parkway, Ashburn, VA 20147. Based on extensive market research, as described in section 8 of this justification, it was determined that there is no competition, as Verizon is the proprietary owner and only authorized vendor that can provide the required full spectrum PKI SSP services, recovery and revocation services, and associated technical support services. Verizon is the current contract holder for PKI SSP services with VA under Contract GS-35F-0382T, Delivery Order VA118-15-F-0124, which has a period of performance that will end on January 9, 2017. Under this order, Verizon issues PKI encryption certificates to VA employees and partners, as well as provides revocation and recovery support. Delivery Order VA118-15-F-0124 supports 500,000 seats with each seat including up to four certificates each. The services to be acquired under the new action will continue to support the 500,000 sites and corresponding certificates. In addition, Verizon is the current host and operator of VA's PKI certificate authority. Verizon holds PKI encryption certificate key pairs in escrow storage, on VA's behalf, in accordance with 509 Certificate Policy, for the U.S. Federal PKI Common Policy Framework. Hence, when a PKI encryption key is created, Verizon issues the key pair to the user, and stores a copy of the private key in a separate data store under its control. The escrow storage is unique and specific to Verizon. Other vendors do not have access to the data and data cannot be transitioned to another provider due to the requirement to maintain PKI certificate trust relationships within the existing Verizon certificate issuing authority.

VA does not possess the ability to retain encryption keys due to the fact that only Verizon retains the proprietary rights to the PKI certificates they issue. Only Verizon's hosting certificate authority software can provide the required decryption capability and compatibility with encrypted certificates and keys issued to VA employees and contractors. Therefore, only Verizon can provide the required PKI certificate recovery and revocation services, since only Verizon has access to the proprietary data and enterprise databases supporting automated PKI certificate issuance and administration functions for VA. Verizon is the sole provider capable of operating the current proprietary certificate authority system and process that maintains and controls all VA PKI issued by Verizon. No source other than Verizon can host the complete PKI currently used to issue, recover, or revoke certificates it issues. Verizon is the only source capable of operating the current PKI and publishing the verification information for credentials to recover or revoke certificate key pairs from the current system. Furthermore, no other source can provide the aforementioned technical support services since the source code for the certificate recovery system is proprietary.

The current delivery order ends on January 9, 2017 and a break in service would immediately invalidate VA secure email PKI certificates provisioned on PIV cards issued to employees and contractors, thereby eliminating the ability to access critical VA systems to perform their duties, severely disrupting delivery of healthcare and benefits to Veterans. VA is currently in the process of transitioning from PKI services provided by Verizon to services provided by the

Department of Treasury (Treasury). On August 30, 2013, VA established an Interagency Agreement (IA) with Treasury for enterprise-wide PKI certification, as current PKI contracts do not meet VA's overarching needs. However, in order for VA to utilize services available on the IA, completion of technical migration is required. Migration of PKI services is a complex task requiring coordination among VA, Verizon, and Treasury. VA is currently pursuing a project to complete technical migration of PKI services to Treasury and it is anticipated for award in January 2017. Once this technical migration is complete, Treasury will leverage an existing contract to indirectly obtain, via Verizon in its capacity as a subcontractor, access to the proprietary information necessary to provide the required PKI services. Therefore, there is still a need for continuation of Verizon PKI certificate issuance, recovery, and revocation services. Accordingly, this proposed action allows for a 12-month base period and 12-month option period to continue the current services provided by Verizon until VA can complete the PKI SSP services migration to Treasury.

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. There is no competition anticipated for this acquisition. In accordance with FAR Part 8.405-6(a)(2) and FAR Part 5.301, a copy of this Limited-Sources Justification will be posted, along with a synopsis constituting notice of award of the resulting delivery order, to the Federal Business Opportunities website within 14 days of award.

7. Actions to Increase Competition: VA does not anticipate any future need for continuation of Verizon PKI SSP services, recovery, and revocation services, and associated technical support services once technical migration of PKI services to the Treasury is complete, which is currently anticipated by the end of calendar year 2017.

8. Market Research: Market Research was conducted in September 2016 by ESE representatives that queried GSA Schedule 70 product catalogs and National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contracts for companies to fulfill VA PKI needs. While multiple companies, to include VeriSign and Operational Research Consultants, Inc., are certified to issue new PKI certificates under all existing guidelines, none have the capability to operate the current PKI infrastructure supporting VA. Verizon is the only source capable of operating the current infrastructure, publishing the certificate verification information for credentials, and conducting maintenance of all previously issued certificates, since Verizon retains the proprietary rights to the PKI certificates issued. No other vendor has the capability of recovering PKI encryption keys issued by Verizon. Additionally, only Verizon can access the proprietary source code in order to provide the required technical support, in addition to all software updates. On December 8, 2016,

VA contacted Verizon to ascertain if its proprietary data was for sale. Verizon advised that this data is not for sale. All PKI certificates previously issued by Verizon to VA employees and contractors can only be revoked and recovered using Verizon's current certificate authority. Therefore, a new delivery order with Verizon is required to maintain VA's ability to issue, revoke, and recover PKI encryption certificates and keys.

9. Other Facts: VA requires the ability to issue, revoke, and recover PKI encryption keys in order to maintain access to key material that allows for the decryption of email. This process is required by the policies under which the certificates were issued, and supports users' access to legacy data. There are also numerous legal and law enforcement initiatives that require VA to maintain access to the escrowed key material for seven to ten years. A break in service would render VA unable to issue and recover previously issued encrypted certificates and would not meet the PKI requirements.

10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Dale Lewis

Date: 12-14-16

IT Specialist

Signature: Dale E Lewis 250167  
Digitally signed by Dale E Lewis 250167  
DN: cn=Dale E Lewis, email=dale.lewis@verizon.com, o=Verizon Business, ou=Verizon Business, c=US  
Date: 2016.12.14 10:23:21 -08'00'

11. Determination of Best Value: I hereby determine that the proposed contract action will represent the best value to the Government consistent with FAR 8.404(d). GSA has already determined that the prices on the FSS contract are fair and reasonable. Further price analysis, to include an analysis of proposed level of effort and mix of labor, will be conducted and subsequent negotiations held as necessary. Additionally, price discounts will be sought.

Robert Kirzow

Date: 12/14/2016

Procuring Contracting Officer

Signature: Robert Kirzow

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

Robert Kirzow

Date: 12/14/2016

Procuring Contracting Officer

Signature: Robert Kirzow

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support a limited source award and deem it legally sufficient.

James V. Scuro

Date: 12/14/2016

Legal Counsel

Signature: James V Scuro

Approval

In my role as Advocate for Competition, based on the foregoing justification, I hereby approve the acquisition of Verizon PKI SSP services, recovery and revocation services, and associated technical support services pursuant to the authority cited in paragraph 4 above, subject to availability of funds, and provided that the services herein described have otherwise been authorized for acquisition.

Date: 12-14-16

Signature: \_\_\_\_\_

  
Ronald J. Bakay  
Advocate for Competition  
Technology Acquisition Center  
Office of Acquisition Operations

Limited-Sources Justification Coordination Matrix

*Kevin Loesch*

*12/14/2016*

Name Kevin Loesch

Date

Concur/Non-Concur

Director, Procurement Service B

Technology Acquisition Center (003B2)

Office of Acquisition Operations

Department of Veterans Affairs