

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, New Jersey 07724
2. Description of Action: The proposed action is for a brand name firm-fixed-price order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for DocuSign Signature Solution (by subscription), which includes the applications, installation/implementation, software support and training.
3. Description of the Supplies or Services: The proposed action is to provide VA Office of Information & Technology (OI&T), Enterprise Program Management Office (EPMO) with an upgrade from the existing CoSign Signature Appliance, which has reached its end of life, to the DocuSign Signature Appliance to allow VA's public-key infrastructure signature solution to continue to meet the needs of current and planned electronic and digital signature customers which include the eHealth Exchange opt in/opt out, Stakeholder Enterprise Portal (SEP), My HealtheVet (MHV) Virtual Lifetime Electronic Record (VLER), and Integrated Electronic Health Record (iEHR). DocuSign Signature Appliance replaces manual, paper-based methods for conducting transactions (i.e., signing documents) and is accessible anytime, anywhere on any device, resulting in accelerated transactions that improve efficiency, reduce costs, visibility and control. DocuSign Signature Appliance provides a secure way to send, sign, manage and store virtually any type of document (e.g., .doc, .docx, .pdf, .xls, .xlsx, .txt) and is integrated into many of the tools and business systems currently used by VA (including Microsoft Outlook, Word, and SharePoint). The contractor shall provide nine DocuSign Signature Appliances (current-generation): six in high-availability, load-balancing (active-active) mode and three for Software Quality Assurance (SQA)/Access Services Development/Integration (INT)/Partner Integration (PINT), as well as installation, deployment and implementation support, software support and training for all of the DocuSign Signature Appliances. The contractor shall provide remote support to ensure that all DocuSign Signature Appliances are installed, deployed and implemented correctly. The contractor shall provide training on the use and management of DocuSign appliances for Administrators and End Users. The period of performance is 12 months with three 12-month options. The three 12-month option periods are necessary to provide continued subscriptions and maintenance for the DocuSign Signature Appliances in order to reach their end of life. The order includes optional tasks to increase the number of subscriptions as well as maintenance on the increased subscriptions that may be exercised within their respective period and co-term with the expiration of that period for the duration of the contract period of performance. The DocuSign Signature Appliances shall be shipped within 14 days after contract award. Deployment and implementation/installation shall be completed within 120 days after delivery with support services commencing upon successful installation. The total estimated price of the proposed action, inclusive of the options, 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 extensive market research, as described in section 8 of this justification, it was determined that limited competition is viable among all the NASA SEWP V GWAC authorized resellers for this brand name requirement. The current application environment used by VA is based on existing DocuSign hardware and software and the VA requires support compatible with the existing functionality for continued operational availability. This effort is to upgrade from the CoSign Signature Application to the DocuSign Signature Appliance. Due to the proprietary nature of the hardware and software code in the existing EPMO environment, which is comprised of only DocuSign appliances and software, only DocuSign appliances and software will meet VA's requirements due to compatibility and interoperability with the existing infrastructure. The existing infrastructure is comprised of DocuSign hardware and software that has been configured, integrated and tested to provide VA a secure way to send, sign, manage and store virtually any type of document (e.g., .doc, .docx, .pdf, .xls, .xlsx, .txt) through several VA tools and business systems (including Microsoft Outlook, Word, and SharePoint). Only DocuSign or an authorized reseller can provide the necessary DocuSign Signature Appliances, installation, support services and training. No other manufacture's appliances or software licenses are compatible, functional, or interoperable with the existing DocuSign based infrastructure. Specifically, any other brand name items will not communicate with the existing infrastructure due to the aforementioned proprietary constraints. In addition to the lack of compatibility and interoperability with the existing infrastructure, none of these electronic signature appliances meet the FIPS 140-2 security requirements that are required by the VA. Additionally, installation/implementation, support, and training are required to ensure the DocuSign software on the DocuSign Signature Appliances is installed properly and remains up-to-date. Only DocuSign or an authorized reseller can provide the support services due to the proprietary source code required to develop and implement software upgrades and updates. Should the support services for the DocuSign Signature Applications not be acquired, there is an immediate risk to the EPMO application environment. Without the aforementioned proprietary source code, no source other than DocuSign and its authorized resellers can meet VA's needs. Specifically, the source code is required to ensure all services are properly configured. Only DocuSign or an authorized reseller can provide the training on the DocuSign Signature Appliances. An award to any other source would result in substantial duplication of cost to the Government that is not expected to be recovered through competition and would also result in unacceptable delays in fulfilling the agency's requirements. Replacing all of the existing DocuSign hardware, software and infrastructure would result in a duplication of cost of approximately \$5,000,000 based on market research. DocuSign is vital to VA for continued sustainment of the VA's public-key infrastructure signature solution and to continue to meet the needs of current and planned electronic and digital signature customers which include the Nationwide Health Information Network (NwHIN) opt in/opt out, Stakeholder Enterprise Portal (SEP), My

HealthVet (MHV) Virtual Lifetime Electronic Record (VLER), and Integrated Electronic Health Record (iEHR).

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. Limited competition is anticipated for the required DocuSign Signature Appliances, installation, support services and training. 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. Additionally, in accordance with FAR 16.505(a)(4)(iii)(A) this justification will be submitted to all applicable NASA SEWP V GWAC holders along with the Request for Quotation in order to fully notify all interested parties.

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, VA will continue to monitor market trends, new/emerging products, looking for compatible technologies to meet VA needs.

8. Market Research: The Government's technical experts conducted market research in September 2016 to ascertain the ability of any other source to provide the aforementioned appliances, installation, software support and training. The research consisted of reviewing various applications, software and maintenance plans offered from RightSignature, G2 Crowd, and Topaz Systems INC. In addition to the lack of compatibility and interoperability with the existing infrastructure, none of these electronic signature appliances meet the FIPS 140-2 security requirements that are required by the VA. Based on the market research conducted by the Government's technical experts, it has been determined that no other brand of appliances, support services and training can meet the Government's requirements due to the need to access the source code and other proprietary data of the existing DocuSign appliances, software licenses and support services. Unauthorized software providers do not have access to the proprietary data of the software to be able to provide troubleshooting, updates, fixes, patches, and upgrades. Only DocuSign or its authorized resellers have access to the source code of the software to provide the necessary support.

Additionally, a Request for Information was issued on the NASA SEWP V GWAC website on November 15, 2016. Two responses were received. One was from a Service Disabled Veteran-Owned Small Business (SDVOSB) concerns in Group B(2), one was from a small business in Group A and one was from a small business in Group C. The Government's technical experts conducted an analysis of the responses against the requirements detailed in the Product Description. Both responses were deemed to be technically capable. Additionally, a third vendor, SDVOSB concern, communicated its intent to bid. Additional market research was also conducted in December 2016 through the use of the Provider Lookup Tool on the NASA SEWP V GWAC web site. The research shows that there are a total of four NASA SEWP GWAC holders that can fulfill the Government's requirements. The breakdown per group is as follows: one small business vendor from Group A, one vendor from Group B(1) HubZone, one vendor from Group B(2) SDVOSB concerns and one small business vendor from Group C. Based on the results of the market research, there is reasonable expectation that

sufficient competition exists among SDVOSBs in Group B(2). Therefore, the request for quotation for this requirement will be submitted to Group B(2) SDVOSB GWAC holders under North American Industry Classification System code 541519.

9. Other Facts: N/A