

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: The proposed sole source action is for a firm-fixed-price delivery order to provide a technology refresh of the Bull NovaScale servers and software, consisting of Bull products that are part of the Benefits Delivery Network (BDN) Payment System, for the Hines Information Technology Center (HITC) and Philadelphia Information Technology Center (PITC). The proposed action will be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government-Wide Acquisition Contract (GWAC) to Merlin International, Inc., doing business as Merlin Technical Solutions (hereinafter referred to as Merlin).
3. Description of the Supplies or Services: The required Bull products and associated services are distributed to the Federal Government by Merlin. The proposed action is to acquire quantity of 1 Bull NovaScale 544 and quantity of 1 Bull NovaScale 542 mainframes, associated hardware, software, technical support, professional services related to the installation and configuration of the newly acquired products, and secure migration of data from the obsolete servers currently in use at the HITC and PITC. The Bull NovaScale mainframes will host the Bull BDN payment system processes in support of primarily the Veterans Benefits Administration's (VBA) educational entitlements for the nation's Veterans and dependents. This includes Chapter 33 (Post-9/11 GI Bill). This is a VA mission critical legacy system. Due to technology obsolescence of the current Bull mainframe systems and software, a technology refresh is required to support Bull NovaScale products and eliminate security risk. The existing Bull technology was implemented in 2010 and reached end of engineering support status as of June 30, 2016. The period of performance for this action is 12 months. A 3 month optional task to provide support for the deployment of remote disk replication will be included. The total estimated value of the proposed action, including an optional task, 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: The proposed source for this action is Merlin, 4B Inverness Court East, Suite 100, Englewood Colorado, 80012. Merlin currently has an exclusive partnership agreement in place with Atos Technologies (acquired Bull in 2015) and is presently the sole-source supplier of the required Bull hardware, software, and professional services to the United States Federal Government. Bull NovaScale mainframes and their associated servers and software are proprietary products produced by Bull. VA's Bull BDN payment system is

dependent on Bull technology due to the application's dependence on proprietary Bull middleware and application programming interfaces (APIs). No other vendor's mainframe technology can function with the existing Bull General Comprehensive Operating System 8 (GCOS 8), its backup software, Job Control Language (JCL), its APIs, and the BDN application source code, or is compatible with the existing Bull Virtual Tape System (VTS), which supports both backup and disaster recovery for the HITC and PITS sites. The aforementioned Bull NovaScale servers with GCOS 8 Release 8 and its associated software products are the only products that are interoperable with the existing Bull BDN applications, the proprietary IDS-II database manager, and Bull VTS. Additionally, no other vendor's mainframe technology would allow for a seamless migration of data from the current Bull mainframe due to the proprietary nature of the existing Bull software. Bull software is designed to run on the proprietary GCOS 8 Operating System, which is designed for and largely written in the Bull mainframe 36 bit processor décor, which is not used by any other vendor. The COBOL-74 application programs include syntax for the proprietary IDS-II Database Manager, and hundreds of GCOS 8 Job Control Language jobs, Transaction Processor 8 specific application extensions, and proprietary Workstation Control Language configuration files that number in the thousands of lines. None of these items can run on anything other than GCOS 8; and only hardware supplied by Bull can run GCOS 8. The Bull software is proprietary and communicates through proprietary source code which only Bull or an authorized reseller can maintain. No other product can communicate with or through the existing Bull proprietary source code. Furthermore, if any other source was to provide the technical services without the Bull proprietary source code, it would not be able to set-up and configure the software products, or migrate the VA-specific extensions to the new GCOS 8. Additionally, the professional services require extensive knowledge of the Bull hardware and operating system to install, configure, test, and diagnose the refreshed mainframe systems to verify interoperability and compatibility with the existing BDN infrastructure. As Merlin is the sole provider of these products and services to the Government, it is considered the only source. Only Merlin can provide the Bull hardware, software, technical support, and professional services required for the NovaScale mainframe systems technology refresh.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this document. This effort did not yield any additional sources or products that can meet the Government's requirements for a mainframe that is interoperable and compatible with the existing VA BDN payment system. It was determined that there is a single authorized reseller for these required products and services. There is no competition anticipated for this acquisition. The justification will be posted along with the solicitation in accordance with FAR 6.302-1(c). Any proposals that are received shall be evaluated. Furthermore, in accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsisized at award on the Federal Business Opportunities Page and the justification will be made publically available.

7. Actions to Increase Competition: The Government will continue to canvas the marketplace to ascertain if there are changes in the marketplace that would enable

future actions to be competed. VA technical experts are currently performing market research to identify alternative solutions that would eliminate VA's dependency on Bull BDN architecture for all VBA automated processing. Should a viable alternative be identified, VA will compete future requirements. One such alternative VA is considering is the development of a new BDN system architecture. Preliminary research pertaining to the development of a new BDN system architecture indicates it will take a minimum of three years to design and implement a replacement system.

8. Market Research: Market research was conducted by the Government's technical experts in August and September 2016 to ascertain the ability of any other source, besides Bull or an authorized provider, to provide the aforementioned Bull products and services required. The research consisted of reviewing similar mainframe computer performance software, products, and support services to include Dell, IBM, and Oracle. None of the products offered by these companies can meet VA's interoperability and compatibility requirements. Dell, IBM, and Oracle's software cannot communicate with or through the existing Bull proprietary source code. In addition, the Government's technical experts reviewed Forrester Research, Gartner Research, and conducted research on technical mainframe computer websites and web-based forums related to the mainframe computer performance requirements to identify potential mainframe computer performance software solutions that could meet the Government's requirements. All of the products and services offered by these sources were found unable to support the VA's application source code, Transaction Processing (TP8) application implementation and interface to the SMGWs, batch JCL, and production scripts in their present form; i.e. no other mainframe can support the current BDN application without a major rewrite or redesign due to the applications dependency on GCOS 8 which is unique to Bull mainframes. Merlin was determined to be the only source for Bull's proprietary mainframe products and associated services required to complete a technical refresh of the NovaScale mainframes. The BDN Payment System processes on Bull World Wide Information Systems GCOS 8 Operating Systems Software, Release 7.0 and Transaction Processor 8 database on a Bull NovaScale 9042 mainframe system. The GCOS suite of software is proprietary to Atos/Bull and licensed by Merlin to VA. Merlin is the only authorized vendor to supply the Bull hardware and software to the Federal Government.

9. Other Facts: None.

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.

[REDACTED]

Date: [REDACTED]

Chief Technical Services Division

Signature: [REDACTED]

11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on analysis of the proposal against the Independent Government Cost Estimate. Pricing for products awarded on NASA SEWP V GWAC have already been determined to be fair and reasonable.

[REDACTED]

Date: [REDACTED]

Procuring Contracting Officer

Signature: [REDACTED]

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

[REDACTED]

Date: [REDACTED]

Procuring Contracting Officer

Signature: [REDACTED]

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support an exception to fair opportunity and deem it legally sufficient.

[REDACTED]

Date: [REDACTED]

Legal Counsel

Signature: [REDACTED]

Approval

In my role as Advocate for Competition, based on the foregoing justification, I hereby approve the acquisition of a technology refresh of the NovaScale servers and software, to include associated hardware and services, consisting of Bull products that are part of the BDN Payment System, on an other than fair opportunity basis, pursuant to the statutory authority cited in section 4 above, subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date [REDACTED]

Signature [REDACTED]

Advocate for Competition
Technology Acquisition Center
Office of Acquisition Operations