



## JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition Operations  
Technology Acquisition Center (TAC)  
23 Christopher Way  
Eatontown, NJ 07724
2. Description of Action: The proposed action is for a sole source, firm-fixed-price Delivery Order under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government-Wide Acquisition Contract (GWAC) with Alvarez and Associates, for the procurement of technical support and maintenance services of brand name Caradigm Single Sign On (SSO) and Context Management (CM) software and hardware.
3. Description of the Supplies or Services: VA, Office of Information and Technology (OI&T), Information Technology Operations and Services, Enterprise Program Management Office, has a requirement for technical support and maintenance services for the existing brand name Caradigm integrated solution that was purchased in 2009, which supports the clinical workflow for all of the Veterans Health Administration (VHA) providers and clinical staff. The Caradigm infrastructure consists of 360,000 software licenses and a set of 250 network appliances (i.e. hardware) referred to as Vaults which are used to run the software. Support of the clinical workflow is provided utilizing Health Level-7 (HL7) based Clinical Context Object Workgroup (CCOW) functionality embedded in core Veterans Health Information Systems Technology Architecture (Vista) applications and delivered via the Caradigm SSO and CM infrastructure. The SSO and CM infrastructure is a hardware and software solution that is implemented consistent with both a regional and Veterans Integrated Service Network (VISN) data center architecture. The Caradigm solution serves as the backbone for the Vista Graphical User Interface (GUI) application architecture providing for both clinical efficiency and patient safety.

The Caradigm SSO and CM solution consists of software and hardware that implements the context management standard defined by the HL7 CCOW standard. The required technical support and maintenance services includes SSO and CM annual support, 24 hours per day, 7 days per week coverage 365 days/year phone and website access; problem and incident resolution support based upon severity to include software updates including major releases, point releases, service releases and security releases of applicable software/firmware; as well as any necessary support, repair, or replacement of the solution vaults.

The period of performance shall include one 12-month base period and two 12-month option periods. The total estimated value of the proposed action is [REDACTED] inclusive of 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: The proposed source for this action is Alvarez and Associates, LLC, 8251 Greensboro Drive, Suite 230, Tysons Corner, VA 22102-3817. The Government technical team reviewed other commercially-available SSO/CM software products to determine the ability of transitioning to another SSO/CM solution, rather than the existing Caradigm solution. Based on market research, as described in section 8 of this justification, it was determined that Caradigm is the only SSO/CM product that is currently capable of interfacing with VA's Computerized Patient Record System, VistA Imaging, VistA Vitals, VistA Web, Bar Code Medication Administration, enterprise Health Management Platform, and iMedConsent. If the existing Caradigm software and hardware solution were to be replaced, any other product would require extensive additional software development work and testing in order to integrate seamlessly with those VA systems, and therefore they cannot satisfy VA's ongoing requirement for a fully functioning SSO/CM solution. Additionally, Caradigm is the only single vendor solution that supports both the VA enterprise implementation requirements and the extended capabilities at the James A. Lovell Federal Health Care Center (JALFHCC), which is a facility jointly operated by VA and the Department of Defense and requires additional capabilities in order to comply with all technical and security requirements imposed by both governing organizations.

Alvarez and Associates, LLC is the only authorized reseller of Caradigm software, with access to the Caradigm proprietary source code, and therefore is the only vendor who can provide the required technical support and maintenance services. Furthermore, Caradigm confirmed that it does not contract directly with the Government and the only way to obtain support is through its reseller, Alvarez and Associates. Other technical support and maintenance service providers do not have the proprietary source code and the software updates and releases necessary to provide the required technical support and maintenance services. This code is required to push through updates and to ensure all the services provided are properly configured. Without access to this code, any other source would not be able to provide the technical support and maintenance services on the existing software and hardware. It is critical that this infrastructure remains operational at all times and maintenance services are continuously available to provide support. The infrastructure has become a critical component of the VA's overall application and security infrastructure. Losing this capability significantly impacts the efficiency with which VHA providers deliver patient care due to health care providers not being able to use SSO throughout the VA and Medical Sign On (MSO) capability at JALFHCC in violation of the joint VA/Department of Defense MSO agreement. The ability to use SSO/CM is significant as it simplifies the VHA providers' workflows by eliminating the need to repeatedly type usernames and passwords; thereby enabling quick and secure access across multiple applications. The result is simplified authentication and access to the appropriate patient records in seconds across multiple

applications. The loss of the infrastructure presents potential patient safety issue as the applications will no longer behave how clinicians currently use them.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), the notice of award for this action will be synopsisized within 14 days of award on the Federal Business Opportunities website. In addition per FAR 16.505(a)(4)(iii)(A)(2), this justification will be posted to NASA SEWP V GWAC website at time the solicitation is posted.

7. Actions to Increase Competition: In order to remove or overcome barriers to competition in future acquisitions for this requirement, the Government will continue to perform market research to determine if there are any products and/or source providers available that will enable future requirements to be competed.

8. Market Research: Market research was conducted in December 2016 to ascertain the ability of any source, other than Caradigm, or an authorized reseller, that can provide the aforementioned technical support and maintenance services. After researching NantHealth, IBM, and Imprivata, VA concluded that no other company currently on the market offers compatible or has the capability to support the current software. The only CM software available besides Caradigm is CareFX, but there are no third-party vendors supporting CareFX, and the manufacturer of CareFX cannot and does not support Caradigm software. Only Alvarez and Associates, in its capacity as Caradigm's exclusive authorized reseller, can access the proprietary source code to provide the required maintenance, as outlined in section five of this document. No other source has access to the proprietary data to be able to provide the required four hour on-site maintenance repair and hardware replacement parts; 24 hours per day, 7 days per week, 365 days per year phone and website access availability for reporting a trouble ticket, and four hour response time. Additionally, access to Caradigm proprietary data is required to provide software updates, including major releases, point releases, service releases and security releases of applicable software/firmware. On March 6, 2017, the Government contacted Caradigm to ascertain if this proprietary source code was for sale. Caradigm advised that this data is not for sale. Additionally, Caradigm advised that it does not contract directly with the Government; therefore, the only way to procure the required support was through its authorized reseller, Alvarez and Associates. Based on the above market research, it was determined that only Alvarez and Associates, in its capacity as an authorized reseller, can provide support services required for the Caradigm integrated solution that comprises the CM infrastructure.

Additional market research was conducted in December 2016 through release of a Request for Information (RFI) on the NASA SEWP V GWAC portal to identify resellers of Caradigm maintenance services. The RFI yielded one response from Alvarez and Associates, a GWAC holder from Group B(2) comprised of Service-Disabled Veteran-Owned Small Business (SDVOSB) Value Added Resellers. The Government's technical experts reviewed the response submitted by Alvarez and Associates and

found it capable of meeting all of the requirements. The Government also used the NASA SEWP V GWAC Provider look-up tool in December 2016 to verify that no other GWAC holder can provide the required Caradigm maintenance. Finally, the Government contacted Caradigm directly to determine whether any other third party vendors could provide the required maintenance services and was informed that Alvarez and Associates is the only authorized reseller with the necessary access to the proprietary source code.

Finally, in February 2017, Government technical experts conducted internet research to examine technical specifications of other commercially-available SSO/CM software products, including Harris's CareFx, International Business Machines, Imprivata, and Novell, in order to determine the viability of transitioning to another SSO/CM solution. As detailed in paragraph five, all other available SSO/CM software products reviewed would require significant additional development work by or on behalf of VA in order to successfully interface with other VA systems.

9. Other Facts: None.



