

JUSTIFICATION
FOR OTHER THAN FULL AND OPEN COMPETITION

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 effort for the procurement of 3M Grouper Plus System (GPS) software license subscriptions, maintenance, and technical support with 3M Company, 7600 Metropolis Drive, FSC Building 5, Austin, TX 78744.

3. Description of the Supplies or Services: The Department of Veterans Affairs (VA) Financial Services Center (FSC) requires the 3M GPS software license subscriptions, maintenance, and technical support to enable it to process medical claims in support of the Veterans Access to Care Act of 2014 (H.R. 4810; 113th Congress; Public Law (PL) 113-175). PL 113-175 requires VA to establish and implement a system to process and pay claims for care delivered to Veterans by non-VA providers under the Program and other non-VA care authorities. 3M GPS software license subscriptions will integrate, validate, and enhance the speed and capability with existing healthcare claims processing system, Plexis Claims Manager (PCM). The required GPS subscriptions will also provide Medicare and non-Medicare grouping, editing and reimbursement calculations for inpatient and outpatient claims data ensuring accurate reimbursement. The 3M GPS software is currently integrated within the VA-FSC's medical claims system PCM and is tied to the VA-FSC's architecture and infrastructure. 3M GPS software is currently used by the VA-FSC and provides for seamless integration with the existing healthcare claims processing system, PCM. This effort includes license subscriptions for VA-FSC to have the capability to process up to 199,999 End Stage Renal Dialysis Claim transactions annually. The software maintenance shall include software upgrades, updates, enhancements, and corrections within five business days of being released by the contractor. The contractor shall also provide remote and telephonic technical support 24 hours a day, seven days a week. In addition to the software support the contractor shall be given access to the technical staff to assist in initial implementation of embedded or cloud solution and on-going support during the monthly updates. The Contractor shall deliver the software licenses within five business days after contract award. Software maintenance and support shall run concurrently with the software licensing term. The period of performance shall be for 12 months with two 12-month option periods for the renewal of software subscription and maintenance. The total estimated value of the proposed action inclusive of options is

4. Authority: The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1) as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

5. Rationale Supporting Use of Authority Cited Above: Based on the market research, as described in Section 8 of this justification, it was determined that the 3M GPS software and maintenance required are only available directly from 3M which owns the proprietary rights to the software. The 3M GPS software is currently integrated within the VA-FSC's medical claims system, PCM's architecture and infrastructure. The 3M GPS software is proprietary in nature. Due to the proprietary nature of the software code only 3M GPS is capable of meeting VA's requirements for compatibility and interoperability with the current VA-FSC's architecture and infrastructure. 3M owns the proprietary intellectual property rights to the GPS software. There are no resellers who are authorized to provide the required software and support services. Due to the proprietary restrictions and constraints that allow only GPS to provide the software source code, it was determined that 3M Company is the only vendor that can meet the Government's requirement. Introduction of a software product other than that based on a 3M GPS product is not in the Government's best interest as it would prohibit VA's ability to process and pay claims for care delivered to Veterans by non-VA providers under the Program and other non-VA care authorities. Additionally, use of another product would negatively impact the current system by causing unnecessary delays in the process, and hinder FSC's ability to successfully meet the requirement set forth by the Veterans Health Administration (VHA) to comply with the Veterans Access to Care Act of 2014.

Furthermore, 3M GPS software is a proprietary software product; therefore, no other software maintenance provider has the proprietary code to perform the necessary maintenance and technical support services including software upgrades, updates, enhancements, and corrections. The maintenance and technical support of 3M GPS software is critical for the software to continue to remain operational in support of medical claims processing which is a mandated under the Veterans Access to Care Act of 2014.

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. Additionally, the proposed action will be synopsisized on the Federal Business Opportunities Page in accordance with FAR 5.201. Any proposals that are received shall be evaluated.

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. Furthermore, VA-FSC is

actively involved in a competitive procurement for a new healthcare claims processing system. Until the new system is delivered, installed, and configured (approximately a 2-year effort), VA-FSC requires 3M GPS software to ensure interoperability and compatibility with the current VA-FSC architecture and infrastructure.

8. Market Research: Market research was conducted in March of 2017 to ascertain the ability of any other source besides 3M to provide healthcare claims processing software and maintenance that meets the Government's requirements. The research consisted of reviewing other healthcare claims processing software such as AMPS. After review of alternative software products it was determined that only 3M GPS is compatible and interoperable with the current VA-FSC architecture and infrastructure. The Government also utilized the GSA Advantage and NASA SEWP V GWAC websites, as well as Federal Business Opportunities (FBO or FedBizOps) and other internet searches to identify potential resellers of the 3M GPS software. A website search on GSA Advantage did not identify any sources that offered 3M brand name software or systems. Several vendors that carried 3M brand name software products were identified on the NASA SEWP V GWAC. As such, a Request for Information (RFI) was posted on NASA SEWP V GWAC and FBO; however, no vendors for this specific product responded. The Government then contacted 3M directly on March 17, 2017 and received a letter from 3M's Financial Services Center which verified that there are no current authorized resellers available that provide the required 3M products. The previous contract with FedStore Corporation under NASA SEWP V GWAC to purchase this software has expired. As a result the software can only be purchased through 3M Company, which does not have any authorized resellers.

9. Other Facts: None