

## 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 firm-fixed price modification to Contract Number GS-35F-0628Y Task Order VA118-14-F-0066 with Merlin International, Inc. (Merlin) for support services to add the McAfee Application Control (MAC) enhancement to the Enterprise Anti-Virus (EAV) Host-Based Intrusion Prevention System (HIPS) Anti-Spyware Anti-Malware Solution.
3. Description of the Supplies or Services: VA, Office of Information & Technology (OI&T) is implementing a McAfee Application Control (MAC) enhancement to the EAV HIPS Anti-Spyware Anti-Malware Solution, using the existing McAfee infrastructure already deployed. The addition of the MAC enhancement to the EAV HIPS environment will offer protection against zero-day and advanced network security. MAC, when activated, will block unauthorized executables on both the servers and desktops in the VA environment. The proposed action is to assist VA in the design, testing, implementation, management, and sustainment of the MAC capabilities via VA's McAfee ePolicy Orchestrator (ePO) tool. The MAC capabilities will enable VA to discover and prevent unauthorized or unmanaged software configuration items (SWCI) in VA IT assets from executing using a software Blacklist. Upon successful testing and deployment of the MAC capabilities into the EAV-HIPS environment, Merlin will perform MAC sustainment functions to include storing, processing and recording software inventory data for the VA network. The data collected will be used by the ePO tool to match authorized software products against actual discovered software products. The support services are needed to implement these MAC capabilities which will allow VA to enhance their ability to identify cyber security risks in accordance with the Continuous Diagnostics and Mitigation (CDM) program sponsored by the Department of Homeland Security. The period of performance for the proposed modification will be from date of award to January 23, 2018, followed by one 12-month option for operation and maintenance support of the enhanced EAV HIPS.
4. Statutory Authority: 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 for this action is Merlin, 4B Inverness Ct. E STE 100, Englewood, CO 80112-5324.

Under the existing contract, Merlin is responsible for Operations and Maintenance of EAV-HIPS, which includes operational support and hardware maintenance of the entire EAV-HIPS environment for the VA, which uses McAfee software as the cyber security solution. Only Merlin is capable of providing this MAC enhancement because only Merlin has access to the proprietary configuration of the implemented and maintained EAV-HIPS ePO administrative console. The existing EAV-HIPS environment was uniquely configured, deployed and currently managed by Merlin using the ePO main consoles as the centralized interface for operational management. The current contract requires Merlin to be accountable for the successful management, configuration and sustainment of VA EAV-HIPS environment and maintain a Service Level Agreement of 99.999% system availability uptime for the core platform ePO. The ePO console provides the mechanism and interface for performing all administration and configuration actions for all EAV managed endpoints. The MAC enhancements will be deployed to all VA end-points via the same ePO consoles currently operated by Merlin. Another contractor, other than Merlin, would not have access or the rights to manage the main ePO console, thus making it impossible for them to provide the required MAC enhancements. Any other source would have to install a new ePO environment, to perform all functions of the solution already deployed at VA by Merlin, as well as decommission the current solution. VA cannot have two ePO environments because managed endpoints can only accept one software agent managed by a single ePO console. Additionally, this would result in significant duplicative costs and deployment time to add an Application Control enhancement. These additional costs could not be recouped by competition as Merlin has already installed and configured the current ePO environment and would only have to enhance the existing solution to provide MAC capabilities using their proprietary software configuration. No other source can provide this MAC enhancement because only Merlin has access to the proprietary software configuration of the EAV-HIPS ePO administrative console. In addition no other source can provide the operation and maintenance support to the enhanced EAV HIPS Anti-Spyware Anti-Malware Solution due to access to the proprietary code. Without access to this code no other source can provide these services and insure the services are properly implemented and configured to the EAV HIPS Anti-Spyware Anti-Malware Solution.

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 that can meet the Government's requirements. There is no competition anticipated for this acquisition. The proposed action described herein will be synopsized on the Federal Business Opportunities (FBO) Page in accordance with FAR 5.301 and 8.405-6(a)(2).

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be fully competed

8. Market Research: The Government's technical experts conducted market research in June of 2017. A Request for Information was issued on June 9, 2017 via the FBO webpage to ascertain if there were any other sources that could meet the Government's requirement to provide support services to add the MAC enhancement. Specifically, VA sought services from other sources that could potentially meet VA's needs. VA received only one response from Merlin, the incumbent contractor, which adequately addressed all of the Government's requirements. Additionally, the Government's technical experts reviewed other enhancement services and similar application control software developed by Microsoft, RES, and Bit9. This market research is an ongoing process and is continuously being conducted through subscription services, reviews of Magic Quadrant and other white papers, VA side-by-side review of multiple competing products already in use in VA, review of professional trade publications specific to the cyber-security processes, attendance at national conferences hosted by vendors, and research of National Aeronautics and Space Administration Solutions for Enterprise-wide Procurement contract holders' catalogs for alternative sources and products. Based on reviews of information from these varied sources the Government's technical experts determined that no other source can meet the Government's interoperability and compatibility requirements with the existing McAfee EAV HIPS environment because all other competing solutions require new infrastructure to operate. Based on this market research the Government's technical experts have determined that Merlin is the only source that can meet the Government's requirements.

9. Other Facts: None