

## 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: This proposed action is for award of a firm-fixed price delivery order under General Services Administration (GSA) Federal Supply Schedule (FSS) contract number GS-35F-110DA, for the renewal of brand name International Business Machines (IBM) Multiple Virtual Storage (MVS) software maintenance.
3. Description of the Supplies or Services: The proposed action is for the renewal of IBM MVS software maintenance for 47 existing IBM MVS product licenses is use by VA, Office of Information and Technology, Information Technology and Operations, Infrastructure Operations (IO). The MVS software is utilized for the seamless end-to-end performance monitoring of systems and applications providing business services based upon experiences by end users. The required MVS software maintenance will consist of software upgrades and updates to include point releases, service releases and security releases of applicable software on a quarterly basis, and/or within 48 hours in cases in which a high risk vulnerability fix becomes available. The required full level of service includes 24 hours per day, 7 days per week telephone and online coverage with a 2-hour response time. These software upgrades and updates are necessary for IO to continue successful operation of the existing IBM-based infrastructure which supports existing IO systems and applications. The maintenance is required to ensure the IO's MVS software remains operational. This proposed action is for renewal of maintenance services only; no additional software licenses will be procured. The period of performance for this effort will be 12 months. The total estimated price of the proposed action is [REDACTED]
4. Authority: This acquisition is conducted under the authority of the Multiple-Award Schedule Program. 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 IBM, 6710 Rockledge Drive, Bethesda, MD 20817. IO is tasked with maintaining existing IBM MVS software installed on the mainframe computing platforms located at the Austin, Philadelphia, and Hines Information Technology Centers. IO currently obtains IBM MVS software maintenance through IBM under contract GS-35F-4984H, delivery order VA118-17-F-1668.

The MVS software is utilized for the seamless monitoring of end-to-end performance of business services based upon experiences by end users. VA requires software maintenance support compatible with its existing infrastructure protocols and functionality for continued operational availability. Further, VA requires software maintenance, specifically, MVS software upgrades and updates to include point releases, service releases of applicable software on a quarterly basis, or within 48 hours in cases where a high risk vulnerability fix becomes available. The IO's current infrastructure and software communicates through MVS source code which is based upon IBM proprietary data. IBM is the only source capable of providing the MVS software maintenance the IO requires in order to support its current IBM-based infrastructure; source code proprietary to IBM is necessary in order to develop and implement IO's required MVS software updates. This source code is also required to ensure the services provided to the fielded software are properly configured. No other source is capable of providing the required MVS software maintenance that meets the VA's unique end-to-end system and application performance monitoring functionality requirements without access to this source code. The current IBM-based infrastructure supports multiple critical VA programs, most notably the Benefits Delivery Network (BDN) which is VA's primary veterans' claims processing, tracking and payment system which tracks and distributes approximately \$40 billion in Veterans' entitlements annually. IBM is the only source capable of providing the required MVS software maintenance that meets these unique functional requirements. Further, no other software products are compatible or interoperable with the IO's existing IBM MVS proprietary database structures, protocols, and software application programming interfaces. Failure to maintain the IO's existing IBM MVS software will have a cascading negative impact on multiple critical VA programs, including BDN, which could result in the interruption of Veterans claims processing, significantly impacting VA's ability to continue reducing the claims processing backlog.

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. In accordance with FAR 5.301 and 8.405-6(a)(2)(i), notice of award of this action along with a copy of this justification will be posted to the Federal Business Opportunities website within 14 days of award. Further, this justification will be posted along with the Request for Quotation on the GSA e-Buy website in accordance with FAR 8.405-6(b)(3).

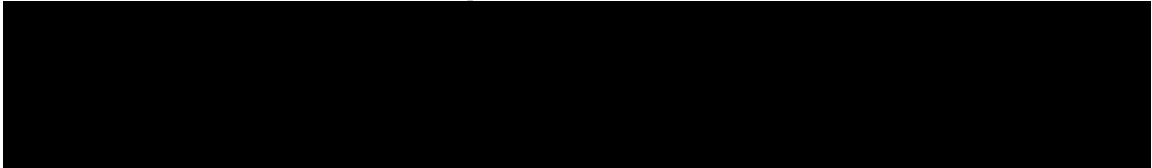
7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be fully competed.

8. Market Research: While conducting market research in March 2017, the Government's technical experts reviewed similar software products and services such as Action Message Format, Message Pack, and Alternative Format Service

to ascertain if these products could meet VA's requirements. Specifically, the Government's technical experts conducted web-based research on Action Message Format, Message Pack, and Alternative Format Service web sites. As a result of the market research, the technical experts confirmed that as the source code required to issue the updates is proprietary, IBM is the only source capable of providing the required maintenance upgrades for the existing IBM MVS software. No other source has the capability of developing and issuing software updates and fixes for IBM MVS software necessary to support the functional requirements stated in section 5 above. All of the products researched were unable to meet the Government's interoperability, compatibility, and performance requirements necessary to integrate with the EO's existing IBM MVS software. Additionally, IBM began to categorize its MVS software as a Monthly License Charge (MLC) in fiscal year 2016. IBM resellers, however, do not categorize MVS software as a MLC. As a result, the required MVS software maintenance cannot be purchased through IBM resellers. Further, MLC is not available under IBM's National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government Wide Acquisition Contract (GWAC) contract. The required MVS software maintenance is available only through IBM's GSA FSS contract number GS-35F-110DA. Based on the reasons above, only IBM can provide the required MVS software maintenance that meets all of the Government's requirements.

9. Other Facts: None.

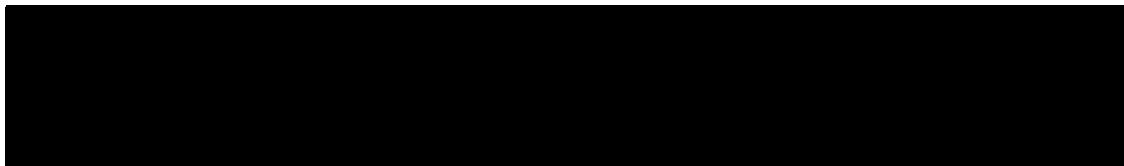
10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.



11. Determination of Best Value: I hereby determine that the proposed contract action will represent the best value to the Government consistent with FAR 8.404(d). GSA has already determined that the prices on the FSS contract are fair and reasonable. Additionally, price discounts will be sought. Finally, price analysis shall be conducted by comparing the successful quote to the Independent Government Cost Estimate.



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



## Approval

In my role as procuring activity Advocate for Competition, based on the foregoing justification, I hereby approve the acquisition of IBM MVS software maintenance renewals on an other than fair opportunity basis pursuant to the authority cited in paragraph 4 above, subject to availability of funds, and provided that the services herein described have otherwise been authorized for acquisition.

