

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, New Jersey 07724
2. Description of Action: The proposed action is for a firm-fixed price delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for the purchase of brand name Salesforce subscription licenses with associated software maintenance and support.
3. Description of the Supplies or Services: Office of Information and Technology (OI&T) Enterprise Program Management Office has a requirement to renew 47,680 existing brand name Salesforce subscription licenses and to upgrade an additional 35,490 Salesforce subscription licenses for continued access to the Salesforce software products Customer Community; Customer Community Plus; Force.com Restricted and Unrestricted; Wave Analytics Cloud Restricted and Unrestricted, and Service Cloud Restricted and Unrestricted. Salesforce is a multi-tenant architecture Platform-as-a-Service (PaaS) with software delivered via the internet through a subscription service delivery model, commonly referred to as Software-as-a-Service (SaaS). Included in the PaaS and SaaS are software patches, updates, and helpdesk support (in a Federal Risk and Authorization Management Program (FedRAMP) certified government cloud) to sustain VA's Salesforce Application Suite. VA also requires associated software maintenance and support to ensure the software remains operational.

VA has developed 24 cloud applications using VA's Salesforce Application Suite on the proprietary Salesforce platform. VA delivers business functionality through these configured cloud applications and key stakeholders include OI&T, MyVA, Veterans Benefits Administration (VBA), Veterans Health Administration and National Cemeteries Administration. The 24 cloud applications that have been built on the Salesforce Application Suite include VA Dashboard, Digital Transformation Center, Work and Time Reporting System, VA Integrated Enterprise Workflow Solution, Quality Management System (QMS), Digital Veteran's Platform (DVP), VA Project/Issue Management, Application and Architecture Tracking, VA Skills Management, Health Oversight and Delivery, VA Call Center and Case Management (VACC), Continuous Surveys, VA Human Resource Support, VBA Business Line Support, Academic Detailing and Training, Budget and Portfolio Management, Travel Tracker, Benefits Oversight and Delivery, Veteran Financial Assistance and Support, Enterprise Integration Workflow and Analytics, Partner Relationship Management, Recruiting, and VA Innovators Network. Many of these applications contain personally identifiable information (PII) and personal health information (PHI) including DVP, QMS, and VACC. VA's Salesforce Application Suite is built on Salesforce's proprietary metadata platform that is configurable through both declarative and Apex coding leveraging Application Programming

Interfaces to interact with legacy on-premise and cloud-based systems in a secure FedRAMP environment accessible only through a VA certified trusted internet connection. Salesforce utilizes a multi-tenant architecture with a metadata platform. It delivers three software upgrades a year, keeps all Federal customers on the same release, enables automatic upgrades of all VA applications (no additional cost or coding), provides a closed social network and Tier 2 and 3 helpdesk support, and supports a partner network of thousands of Independent Software Vendors via the Salesforce AppExchange software. Additional subscription licensing/upgrades will be used to provide for expansion of the user base of the current applications. The period of performance shall be 12 months with one 12-month option for continued access to the Salesforce subscription software and associated software maintenance and support. This procurement also includes optional quantities of the aforementioned licenses that may be exercised in both the base and option period. The total estimated value of the proposed action is [REDACTED] including the optional quantities and support.

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) 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 and highly specialized."
5. Rationale Supporting Use of Authority Cited Above: Based on market research, as described in section 8 of this justification, it was determined that limited competition is viable among authorized resellers for brand name Salesforce subscription licenses, which includes cloud software maintenance and support. The required Salesforce cloud software is proprietary to Salesforce. VA contacted Salesforce in August 2017 to ascertain if the proprietary software code is for sale. Salesforce advised that its proprietary software code is not for sale. Salesforce did indicate that usage of its proprietary code and its ability to sell PaaS and SaaS to VA is only authorized through its resellers.

Only Salesforce software is interoperable and compatible with the current VA Salesforce Application Suite and the 24 applications built on this proprietary Salesforce platform because the current platform is comprised of Salesforce products and operated through Salesforce proprietary code. Based on market research, any other vendor providing these services would require redesigning and re-platforming of these 24 applications which will introduce duplicated costs, delivery delays and risks to VA. Redesigning and re-platforming of these applications will lead to extensive delivery delays of planned functionality release, duplicative costs that would not be recovered through competition (as the same functionality will be rebuilt on a new platform), and a major development effort to re-architect a PaaS/SaaS. This is due to the fact that Salesforce applications use Apex coding, to enable developers to add business logic to most system events, including button clicks, related record updates, and Visualforce pages. Apex coding is proprietary to Salesforce. All functions that are currently developed in Apex would need to be rewritten in another code, such as Java or another proprietary language. VA technical experts have determined it will take at least 28 months to re-platform the

current 24 applications onto another cloud based platform. This is based on the fact that the current technology, Salesforce Platform, is one of the highest rated cloud application development platforms by independent analysts based on usability and application development and deployment time. In addition, with any re-platforming effort there is the risk that one or more applications will not work as intended. This would negatively impact Veteran service delivery as many of these applications are mission critical. Additionally and critically, based on past experience, there will be a significant data migration effort required which will include sensitive Veteran data (PII and PHI), and a significant risk of such data becoming exposed or corrupted during migration. Exposure or corruption of sensitive Veteran data will negatively impact the mission, expose VA to potential legal liability, and negatively impact the public perception of VA's ability to fulfill its mission.

Salesforce is the only vendor that enables the sharing and reuse of applications and components within/across the entire VA user base as well as leveraging applications and components from other government and commercial entities via the Salesforce AppExchange. The ability to share and/or re-use applications dramatically lowers the cost, complexity and risk of supporting VA's mission and large scale requirements. Solutions deployed with technologies from other vendors are not compatible with the Salesforce source code, nor can they be integrated into the single version source code.

Finally, to assure the continued operational success and support the expansion of the user base of the 24 applications that have been built on the Salesforce Application Suite, VA must continue the Salesforce subscription to maintain access to the software maintenance and support, including patches, updates, and helpdesk support. Access to software patches and updates is required to ensure that all applications built on VA's Salesforce Application Suite remain secure. The Salesforce platform contains proprietary source code and no other vendor is able to provide the necessary patches and updates and software and platform support without access to the proprietary source code.

To summarize, Salesforce is the only vendor that can meet VA's requirements for interoperability and compatibility, security, application reuse, and software maintenance and support, without the requirement for a major redesigning and re-platforming effort and associated risks, delivery delays and costs.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. This effort did not yield any additional sources that can meet the Government's requirements. It was determined, however that limited competition is available among authorized resellers for brand name Salesforce licenses, as well as software maintenance and support. In accordance with FAR 16.505(a)(4)(iii)(A)(2), this justification will be provided with the solicitation to all appropriate NASA SEWP V GWAC holders. Furthermore, in accordance with FAR 5.301 and FAR 16.505(b)(2)(ii)(D), the award notice for this action will be synopsisized on the Federal Business Opportunities website and this justification will be made publicly available within 14 days of award.

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 competed. Specifically, the Government will continue to monitor the marketplace to determine whether other brand software could integrate into VA's existing suite of Salesforce applications.

8. Market Research: The Government's technical experts conducted market research from May – August 2017 by reviewing similar SaaS and PaaS software and associated services. Similar products reviewed included Microsoft Dynamics Cloud, SugarCRM, ServiceNow, Appian, Pega, Oracle, OpenText, and AINS. Based on reviews of these products, the Government's technical experts determined that none of these products can meet the Government's interoperability, compatibility, security, and application sharing/re-use requirements previously discussed in Section 5 of this justification. In addition, VA's technical experts also could not find any other sources that could provide the aforementioned software maintenance and support without access to the proprietary source code for the Salesforce software. Unauthorized software providers do not have access to the proprietary source code of the software to be able to provide troubleshooting, updates, fixes, patches, and upgrades. Based on market research, VA technical experts concluded that Salesforce is the only product that can meet the Government's interoperability, compatibility, security, and application sharing/re-use and software maintenance requirements previously discussed. The Government contacted all prospective sources above in September 2017 and advised them of the Government's assessment that they could not meet VA's needs. No objections were received and no other responses were submitted.

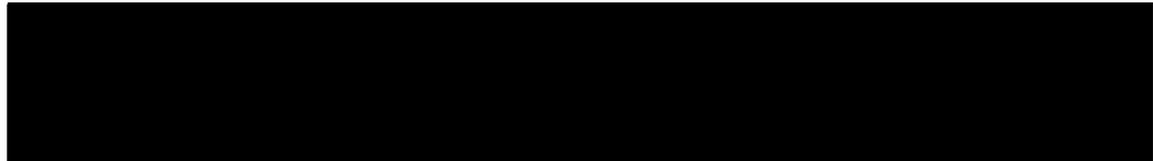
In July 2017, additional market research was conducted through the use of the Provider Lookup Tool on the NASA SEWP V GWAC website which identified five Service-Disabled Veteran-Owned Small Business (SDVOSB) Value Added Resellers (VARs) from Group B(2); and four small business VARs from Group C, that are resellers of brand name Salesforce licenses, as well as software maintenance and support that hold current GWACs. Therefore, limited competition is expected among SDVOSBs for this proposed action.

9. Other Facts: VA requires the aforementioned software to be FedRAMP Moderate and IL4 certified. These security and certification requirements provide VA with independent validation required for the usage of cloud applications in the Government utilizing Controlled Unclassified Information. In addition, the Salesforce architecture is the only software that enables Salesforce to proactively identify and address security vulnerabilities more quickly than vendors that have to support multiple versions of their products. This capability stems from the fact that every user of the software is operating under the same version of the source code.

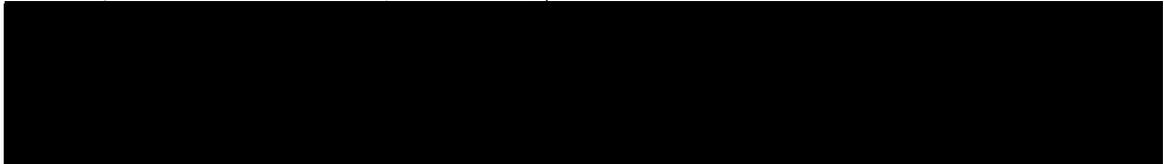
10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.



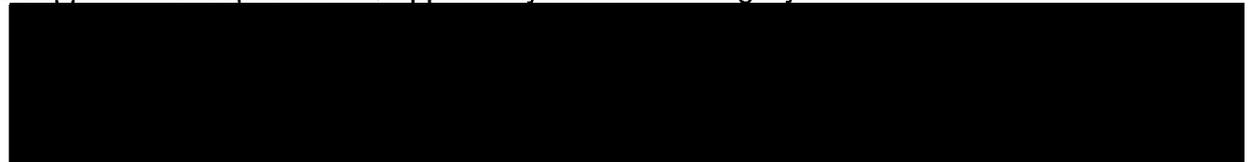
11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on anticipated competition and discounts among multiple value added resellers of the required brand name Salesforce subscriptions and maintenance. If only one quote is received it will be compared to the Independent Government Cost Estimate. Finally, pricing of products awarded under NASA SEWP V GWAC have already been determined to be fair and reasonable.



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



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.



Approval

In my role as Head of the Contracting Activity, based on the foregoing justification, I hereby approve a Firm-Fixed-Price delivery order issued under the NASA SEWP V GWAC for Salesforce software subscription licenses with maintenance and support as described herein. This action will be issued as an exception to fair opportunity 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.

