

## 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 (FFP) contract for the renewal of software maintenance and help desk support for Allscripts Sunrise Decision Support (SDS) software from Allscripts Healthcare, LLC.
3. Description of Supplies or Services: Veterans Health Administration, Office of Finance, Managerial Cost Accounting (MCA) Office, has a requirement for ongoing annual maintenance and support of existing SDS software, from Allscripts Healthcare, LLC, that is currently used enterprise-wide by VA as its designated MCA system. Allscripts SDS software is proprietary Commercial-Off-The-Shelf (COTS) software that only Allscripts Healthcare, LLC has the authority to maintain, update, and modify. Allscripts SDS software was chosen as VA's enterprise wide MCA in 1992 following a three-way competition pilot. This software is designated as the system that exclusively provides VA compliance with Public Law 101-576 (Chief Financial Officer (CFO) Act of 1990) and its government-wide cost accounting standards.

MCA transforms day-to-day operational data into tactical information that is used by leadership to make informed operational decisions. The SDS software provides integration of clinical, financial, and workload data that enables decision-makers to determine costs down to an individual episode-of-care, product, and/or benefit provision, thus improving the quality of medical care and benefits. Furthermore, MCA calculates the total operating costs of a healthcare network, medical center, station, or department and differentiates between fixed and variable costs and between direct and indirect costs. This enables management to establish a data-driven operating budget and to monitor any variances from expected costs and workload and also compare performance and productivity among VA stations and medical centers. MCA is utilized at all levels of VA, from a single department at a clinic or regional office to the Office of the Secretary, Office of Management and Budget (OMB), and U.S. Congress.

The Contractor shall provide software maintenance services for Allscripts SDS software to include periodic functional maintenance and updates to the software, customization enhancements to meet changing VA requirements, and consultative support to VA Austin Information Technology Center's staff in order to support all mainframe operations related to SDS software. These services will ensure the software remains operational. The period of performance shall be October 20, 2017 through October 19, 2018 with three 12-month option periods. The total estimated value of this proposed action, inclusive of options is [REDACTED].

4. Statutory 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: The proposed source for this action is Allscripts Healthcare, LLC; 8529 Six Forks Road; Raleigh; North Carolina, 27615. Based on extensive market research, as described in section 8 of this justification, it was determined that competition is not viable, as Allscripts is the proprietary owner and only vendor that can provide the required software maintenance services. The Allscripts' SDS software code is proprietary to Allscripts Healthcare, LLC; therefore, only Allscripts Healthcare, LLC has the ability to update, maintain, and modify this Code. This proprietary software code is also needed to understand the inner workings of the Allscripts SDS software in order to develop and deploy updates and modifications of the software's code. Furthermore, access to the proprietary code is required to ensure updates are pushed through and there are no software proprietary constraints. Access to software code is also required so services are properly configured. Failure to continue to maintain Allscripts SDS software, which is used as VA's MCA, will put VA at risk of non-compliance with U.S. law and halt the wealth of reliable cost information provided to VA leaders, which is a necessary input for key management decisions.

6. Efforts to Obtain Competition: Market research was conducted, the details of which are in the market research section of this document. The market research conducted did not yield any potential sources, other than Allscripts Healthcare, LLC, which could meet all of the Government's requirements. There is no competition anticipated for this acquisition. Additionally, the proposed action will be synopsized on the Federal Business Opportunities Page (FBO) in accordance with FAR Part 5.201. Any proposals received shall be evaluated. In accordance with FAR 5.301 and 6.305(a), notice of award for this action will be synopsized on FBO within 14 days of award along with a copy of this justification.

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 research similar software and maintenance services to determine if any changes have been identified in the market place.

8. Market Research: The Government's technical experts conducted market research from December 2016 through June 2017. As a result, Request for Information (RFI) VA118-18-41371 was issued on May 22, 2017 and posted on FBO. The Government requested capability statements from vendors that demonstrate its current ability to provide Allscripts SDS Software Maintenance. The RFI closed on June 8, 2017 and four responses were received. One response was from Allscripts; the other three were from Grand Hunter, En-Net, and Creative Information Technology, Inc. Grand Hunter, En-Net, and Creative Information Technology, Inc. did not address any of VA's requirements listed in the RFI and only provided marketing literature. Government technical experts contacted them on May 24, 2017, June 7, 2017, and July 13, 2017 and advised them of the Government's assessment that they cannot meet VA's needs; no objections were received. On July 14, 2017 the Contract Specialist contacted

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Allscripts directly to find out if it would provide its' source code to any other vendors/contractors. Allscripts provided a sole source letter on July 19, 2017 stating that Allscripts prohibits access to the software source code by other vendors/contractors for the purposes of maintenance, support, or customizations. In addition, VA contacted Allscripts on July 26, 2017 to ascertain if its proprietary source code is for sale; however, it stated it was not for sale. The only response determined to be technically capable of meeting the Government's requirements was submitted by Allscripts Healthcare, LLC, which was found to be qualified for the maintenance and support of its own proprietary software. No other source is capable of meeting VA's current requirement due to proprietary data constraints. No sources were found that have ever provided the aforementioned services on the Allscripts SDS software other than Allscripts. The software maintenance and help desk support are proprietary to Allscripts and are not made available through authorized resellers. Additionally, no sources were found that have previously provided support for the Allscripts SDS software other than Allscripts.

9. Other Facts: None.