LIMITED SOURCES JUSTIFICATION

1. <u>Contracting Activity</u>: Department of Veterans Affairs (VA)
   Office of Acquisition Operations
   Technology Acquisition Center
   1701 Directors Blvd
   Austin, TX 78744

2. <u>Description of Action</u>: This proposed action is for a sole source, firm-fixed price task order issued under General Services Administration (GSA) Federal Supply Schedule (FSS) 70 contract GS-35F-253CA to Environmental Systems Research Institute, Inc. (Esri), 380 New York Street, Redlands, CA 92373-8118.

3. <u>Description of the Supplies or Services</u>: The proposed action is to provide the VA's Corporate Data Warehouse (CDW) program at the Austin Information Technology Center maintenance for its current geographic information systems (GIS) software suite, ArcGIS, proprietary to Esri. The ArcGIS suite enables researchers to identify geographic areas where outbreaks occur or large populations are affected by chronic disease in the Veteran population, allowing VA to focus treatment planning and prevention training in those areas to reduce disease and improve overall care for Veterans. The period of performance shall be March 15, 2018 through March 14, 2019, plus one 12-month option period. The total estimated value of the proposed action is ████████, inclusive of the option.

4. <u>Statutory Authority</u>: 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. <u>Rationale Supporting Use of Authority Cited Above</u>: The proposed source is Environmental Systems Research Institute, Inc. (Esri), 380 New York Street, Redlands, CA 92373-8118. VA has one of the largest patient record data sets for medical research in the United States. VA requires tools that provide its researchers the ability to analyze and extract meaningful information from extremely large data sets; VA's 5 terabytes of relevant medical data is updated nightly and VA's 35 terabytes of imagery is constantly growing as imagery is taken and consumed. There is no GIS software suite other than Esri's ArcGIS that has the ability to handle the vast amounts of data required, created, and utilized by VA while also providing sufficient support to ensure that VA's data is available and reliable when being utilized by multiple users in the CDW program. Any other similar product would encounter severe performance degradation and software unavailability and downtime as it processes and analyzes this large amount of data. No source other than ESRI can provide the aforementioned maintenance services due to proprietary constraints. Specifically, another source would need access to Esri's proprietary data and software code in order to ensure that the services provided are properly configured and patched through. This code ensures that the services provided will

allow the Esri products to remain fully operational and work in the current Esri based environment. VA currently operates extensive GIS capabilities utilizing ArcGIS software. This acquisition is for the renewal of software maintenance for the Enterprise Data licenses, so competing for new software would not result in savings, and the purchase of ESRI brand name software maintenance is more advantageous to the Government

6. <u>Efforts to Obtain Competition</u>: Market research was conducted, details of which are in the market research section of this document in section 8 below. This effort did not yield any additional sources that can meet the Government's requirements. There is no competition anticipated for this effort. In accordance with FAR 8.405-6(a)(2), the awarded FSS task order will be synopsized, and this justification will be made publicly available, on the Federal Business Opportunities website within 14 days after award.

7. <u>Actions to Increase Competition</u>: In order to remove or overcome barriers to competition in future acquisitions for this requirement, the agency will work with the program office to perform additional market research so that other solutions can be considered.

8. <u>Market Research</u>: VA technical personnel conducted market research between November 2017 through January 2018, which consisted of a review of similar software, including products from Harris Geospatial, Caliper, Google, Pitney Bowes, Intergraph and Boundless. As a result of the market research, the technical personnel confirmed that the source code required to issue the updates is proprietary to ESRI. Therefore, no other contractor has the capability of developing and issuing software updates and fixes for existing ESRI software necessary to support existing VA requirements. Although similar software exists, competing for new software would not result in savings, and the purchase of ESRI brand name software maintenance is more advantageous to the Government.

The Contract Specialist (CS) conducted market research between January and February 2018 by issuing a Request for Information on NASA SEWP and using GSA Advantage product/service search tool to determine what vendors are capable of meeting the requirement. The market research revealed no other vendor capable of meeting the full requirement. The CS contacted ESRI via e-mail on January 11, 2018 to inquire on authorized ArcGIS software maintenance resellers. ESRI responded, indicating that it is the sole source of these products. A sole source confirmation e-mail was provided and placed in the contract file labeled P02. ESRI does have a GSA FSS contract number, GS-35F-253CA, which includes the required software maintenance. Additionally, in accordance with VA Acquisition Regulation 804.1103-70, a query was run within the Vendor Information Pages (VIP) found at www.vip.vetbiz.gov using the search term "ArcGIS"; resulting in four matches. An e-mail was sent on January 11, 2018 to all Contractors listed on VIP search requesting confirmation that they could provide these products/services. No response has been received. A record of the specific VIP query and associated

results are filed within Tab P02 of the contract file. Based on the market research, it was determined that only ESRI, a large business, can meet all of the Government's requirements. Therefore, the action cannot be set-aside for SDVOSB, VOSB, or any other socioeconomic group. The VA will issue a Request for Quotation (RFQ) to ESRI on GSA.

9. <u>Other Facts</u>:   None.