

JUSTIFICATION FOR AN  
EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Procurement, Acquisitions and Logistics  
Technology Acquisition Center  
23 Christopher Way  
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is for a modification, P00003, to firm-fixed-price Task Order (TO) VA11817F10260011 issued under the Transformation Twenty-One Total Technology Next Generation (T4NG) Contract VA118-16-D-1026. The purpose of this modification is to incorporate a requirement for the addition of the Debt Management Center (DMC) located in St. Paul, Minnesota, as an additional site location for the services detailed and already being performed under Performance Work Statement (PWS) paragraphs 5.3 through 5.8 and all associated subparagraphs within the Task Order which includes the purchase of one Kofax Import Connector – Email Integration license for the Debt Management Center (DMC) located in St. Paul, Minnesota.
3. Description of the Supplies or Services: This TO provides implementation, configuration and testing of the capability to support Consolidated Patient Account Center (CPAC) remote scanning of various claims-based documents and transmitting them electronically to the Veterans Affairs – Financial Services Center (VA-FSC). Specific services include analysis, configuration, testing, security integration, training, go live support, documentation, and one Kofax Import Connector – Email Integration software license and associated annual warranty support. This modification will incorporate a requirement for the addition of the Debt Management Center (DMC) located in St. Paul, Minnesota as an additional site for the services described and performed under PWS paragraphs 5.3, “Remote Scanning and Transmission Analysis”, 5.4, “Implement Remote Scanning in the Test/Development Environment”, 5.5, “Production Environment”, 5.6, “User Acceptance Testing (UAT)”, 5.7, “Training to CPAC and DMC Personnel”, and 5.8, “Debt Management Center Hardware”. The DMC collects debts resulting from individuals’ participation in VA benefit programs and manages VA’s benefit debt portfolio. The centralized debt collection program’s primary mission is to collect debts as efficiently and cost-effectively as possible. Under this modification, the Contractor shall establish and implement a solution at the DMC which will allow for the efficient and expedited processing of debt-based documents as well as email correspondences and electronically transmit them to the VA-FSC where they can be uploaded to a centralized Document Management System. The Email Integration software license will provide access to, as well as, the use of the email processing feature available within the Kofax Advanced Capture Enterprise (ACE) software suite that is in use at the DMC. The software license is required to handle and process email transmissions of benefit

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debt collection documents submitted to the DMC to the VA-FSC for processing. The email license will allow DMC personnel to efficiently and accurately process claims-based documents submitted to the DMC through email. Currently, the method for processing received emails is to print, process, scan and send to the FSC. This license is needed to provide DMC personnel the capability to electronically process and send claims documents to FSC without having to manually print, process, scan and send the documents. VA also requires Kofax associated warranty support services which include periodic patches, fixes, updates, enhancements and corrections to the software. VA Financial Services Center (FSC) has a requirement to acquire one Kofax Import Connector – Email Integration software license and associated annual warranty support. The period of performance for establishing and implementing a solution at the DMC shall coincide with the remainder of the base period of performance as well as provide for license maintenance in the two option periods. The total estimated price of just the software for the initial purchase in the base period and the support in the two option periods is [REDACTED]. The total estimated price of the entire modification, inclusive of the setup of the DMC is [REDACTED].

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) Subpart 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 or highly specialized.”
5. Rationale Supporting Use of Authority Cited Above: Based on the market research, as described in Section 8 of this justification, it was determined that limited competition is viable among authorized resellers for this requirement; however, these licenses are ancillary to a total solution which requires installation, testing, and training, which is currently being performed by ProSphere Tek. Based upon the authority of FAR Subpart 16.505(b)(2)(i)(C), as discussed in the additional supporting Justification and Approval, it has been determined that in the interest of economy and efficiency ProSphere Tek is the logical source. Kofax Import Connector – Email Integration is the only brand name software license that is compatible with the existing Kofax ACE software suite currently being utilized within the VA DMC to provide for increased functionality to reduce process delays and storage costs, and eliminate the time and cost of printing, processing and scanning email correspondences sent to the DMC; thereby improving workflow. Currently, DMC processes emails by physically printing, preparing, and scanning each email and the Email Integration license will allow DMC personnel to electronically process and send claims documents to FSC without having to manually print, process, scan and send the documents to the FSC. The Email Integration license is the only email processing software that meets VA DMC’s requirement that is capable of integrating with the existing Kofax ACE platform. Due to the proprietary nature of the Kofax source code, no other software that provides email processing

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functionality is interoperable and compatible with DMC's existing Kofax ACE software platform. Failure to acquire the Kofax Email Integration software license will prevent the DMC from efficiently and effectively processing and transmitting email documents electronically to FSC. As a result, email processing would continue to require extensive manual labor to physically print, process and scan each received email in order to properly submit electronically to the FSC. If VA DMC was to utilize another manufacturer's software suite it would mean replacing the Kofax ACE application entirely which would require extensive reconfiguration of the existing infrastructure. Furthermore, if another brand name was utilized in the Kofax ACE platform, it would not communicate with the existing Kofax infrastructure at FSC due to the aforementioned proprietary constraints. Further, only Kofax can provide the required software support to include upgrades, updates, and the resolution of software bugs for the Email Integration software because no other provider has access to its proprietary source code. Access to the proprietary source code is required in order to modify, upgrade, update and/or create software fixes. Without the continued software maintenance, the usefulness of the Email Integration software will decline as the software gradually becomes dated and software bugs are left unresolved.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. In accordance with FAR 5.301 and 16.505(b)(2), this action will be synopsisized at award on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available.
7. Actions to Increase Competition: In order to remove or overcome barriers to competition in future acquisitions for this requirement, 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.
8. Market Research: Market research was conducted in December 2017 by technical experts to determine if products other than the Kofax Email Integration software license can satisfy VA's requirements, and it was determined that no other like products are compatible with the existing Kofax platform. Specifically, VA subject matter experts looked at ABBYY Optical Character Recognition (OCR) and I.R.I.S., Inc. licenses and support and determined that neither product can integrate into the existing Kofax infrastructure. Based upon this market research, due to the proprietary nature of the software, it was determined that no other brand name software license and maintenance is compatible with the current infrastructure.
9. Other Facts: None

