

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 Government wide Acquisition Contract (GWAC) for the activation of Salesforce Shield modules to the existing Salesforce licenses with associated software maintenance and support and the purchase of a Full Sandbox.
3. Description of the Supplies or Services: VA Office of Information Technology (OI&T) Enterprise Program Management Office has a requirement to encrypt and/or provide other security features on a license by license basis on and in Salesforce-based modules currently in use across the VA enterprise. VA already has 51,370 Salesforce licenses or individuals to access and use the VA's Salesforce Application Suite. The existing Salesforce modules include Service Cloud Licenses Unlimited Edition; Customer Community Licenses; Customer Community Plus Licenses; Customer Community Plus; Force.com UE; Force.com Admin; and Wave Platform.

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). VA delivers business functionality through a number of configured modules to key stakeholders including OI&T, MyVA, Veterans Benefits Administration (VBA), Veterans Health Administration (VHA) and National Cemeteries Administration (NCA) using declarative and Apex coding using Salesforce's Force.com PaaS and a number of Salesforce SaaS products including Service Cloud Salesforce's Service Cloud Communities and Wave.

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. Salesforce was acquired in 2017 to meet the needs of VA Office of Information Security (OIS) to provide details of VA's security controls in order to be granted an Authority to Operate (ATO). In doing so Salesforce received two ATOs, one for

General Support Systems, and for Salesforce itself. This met the requirements OIS deemed necessary to hold production data in early 2017.

In February 2018, VA OIS discovered that other organizations within VA's Enterprise have additional sensitive production data that need to be stored inside of Salesforce. For example, VA Loan Guarantee – VA Loan Electronic Reporting Interface (VALERI) holds Veterans financial data and VA Integrated Enterprise Workflow Solutions (VIEWS) / VA Hotline holds Personally Identifiable Information (PII) and Protected Health Information (PHI). Although cloud Encryption on the Salesforce Platform initially met the requirements for encryption of the case object at the cloud hosting facility, other organizations such as VALERI and VIEWS are including attachments into the case that contain PII and PHI, and the case object and the attachments need to be encrypted in order to protect this sensitive information. The storage of Veteran's Financial, PII and PHI data within Salesforce was not contemplated at the time the Salesforce Application Suite was acquired in 2017. Accordingly, there is a pressing need to acquire an additional layer of security, hence the need for Salesforce Shield. Salesforce Shield is a built-in advanced security feature on top of the metadata platform which provides additional security controls required for VA data that provides additional protection, encryption, audit, monitoring, and retention of critical data stored in Salesforce which is necessary in order to comply with Federal security regulations. Failure to acquire Salesforce shield would be a detriment to VA as the VA would leave Veterans information vulnerable and at an increased risk to exposure of the attachments that contain the full correspondence from Veterans containing PHI, PII and other sensitive personal information. Furthermore, Salesforce Shield enables full audit tracking as to who accessed what record and any changes. This meets Continuous Readiness in Information Security Program (CRISP) requirements for protection of Veteran Data.

At the present moment VA is near capacity with its sandboxes and requires additional maintenance and sandboxes to continue to test and develop. Sandboxes copy all of the production organization's reports, dashboards, modules and customizations under setup, but exclude all of the organization's standard and custom object records, documents, and attachments. As such, a full sandbox in Salesforce is required for testing and development without affecting live production instances. It's important to have multiple sandboxes due to all of the projects currently underway at VA so they do not affect each other.

Salesforce's software and maintenance support provides VA with three major upgrades a year, with seamless releases with no impact to workflow, integrations, reporting, or customizations. Salesforce maintains a comprehensive security infrastructure, including firewalls, intrusion detection systems, and encryption for transmissions over the Internet, which Salesforce monitors and tests on a regular basis. Salesforce is inclusive of priority case routing, 1-hour response time for critical issues, 24x7 phone support, unlimited usage of course library, and access to a team of expert Salesforce administrators.

These Salesforce Shield licenses need to be co-termed with existing Salesforce Subscription licenses purchased on the current NASA SEWP V Contract NNG15SD27B Task Order VA118-17-F-2475. Therefore, the period of performance shall consist of a base period that will commence at time of award through September 25, 2018, with one 12-month option period for continued access to Salesforce Shield subscription software and Sandbox licenses and associated software maintenance support. In addition, this procurement also includes optional quantities of the aforementioned licenses that may be exercised in both the base and option period. The options for Salesforce Shield will cover, and correspond to, the additional Salesforce licenses that will be purchased on VA118-17-F-2475. 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, the undersigned VA technical representative determined that limited competition is viable among authorized resellers for brand name Salesforce Shield subscription licenses, which includes cloud software maintenance and support. Salesforce owns the proprietary intellectual property rights to the Salesforce Shield licenses and it is not available or supported by third parties. Now that VIEWS has gone live, the Salesforce Shield existing built-in security capability on the platform needs to be activated to provide the required security compliance. VA requires the aforementioned capability activated to be FedRAMP Moderate and Impact Level 4 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. Therefore, the Salesforce architecture is the only software that enables Salesforce Shield to proactively identify and address security vulnerabilities more quickly than vendors that have to support multiple versions of their products. This depth and breadth of required capability stems from the fact that each individual user of the software is operating under the same version of the source code. In addition, Salesforce software updates, maintenance, and technical support are only available through authorized resellers. This is due to the business/licensing model of Salesforce in which only Salesforce or Salesforce authorized resellers can access, use or modify Salesforce products.
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. However, the undersigned VA technical representative determined that limited competition is available among authorized resellers for brand name Salesforce licenses, as well as software maintenance and

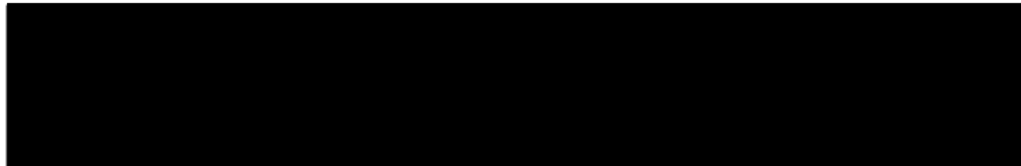
support. In accordance with FAR 16.505(a)(4)(iii)(A)(1), this justification will be provided with the solicitation to all appropriate NASA SEWP V GWAC holders. Furthermore, in accordance with FAR 5.301, 16.505(b)(2)(ii)(D), and 16.505(a)(4)(iii), the award notice for this action will be synopsisized 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. In addition, the Government will determine the feasibility and economic advantages of obtaining a Salesforce enterprise wide license and economies associated with security on an enterprise level. Lastly, the Government notes that the instant sole source requirement covers existing modules only.
8. Market Research: The Government's technical experts conducted market research from January - March 2018 by reviewing similar security products, such as Symantec Disk Encryption and Skyhigh for Salesforce, to determine if there is a third party security add on that could be integrated, but discovered that due to the proprietary nature of the Salesforce PaaS/SaaS, the cloud services on a FedRAMP platform would not accept any non-Salesforce add-on security capabilities.

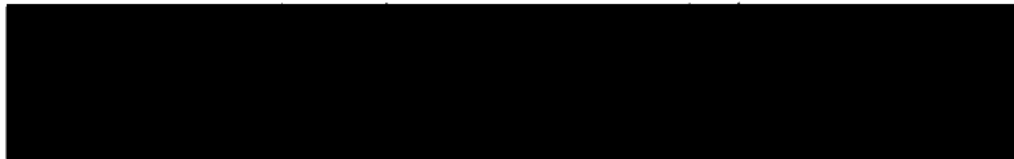
Based on the premise that only Salesforce could meet the government's requirement to the extent that the requirement can only be met by Salesforce, market research was conducted in April 2018 using the Provider Lookup Tool on the NASA SEWP V GWAC website. Results of this search indicated that there are 54 authorized resellers that could provide Salesforce products, inclusive of eight Vendor Information Page verified Service-Disabled Veteran-Owned Small Businesses (SDVOSBs) from Group B(2). Given there are several authorized resellers of Salesforce products, and that NASA SEWP's dynamic catalog allows for line items to be added based on customer requests provided the required item or service is within scope of the NASA SEWP V GWAC, limited competition is anticipated among SDVOSBs on NASA SEWP for this proposed action.

9. Other Facts: N/A

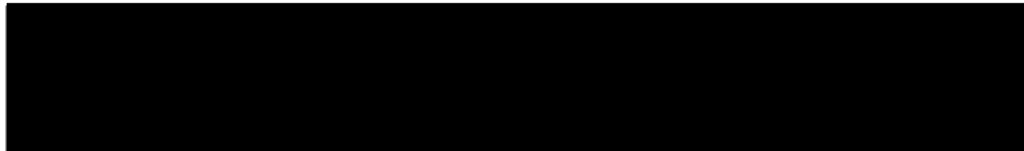
10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.



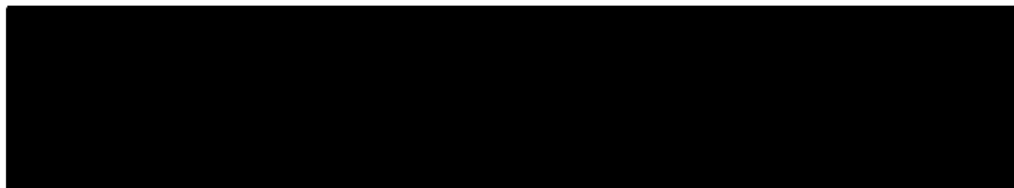
11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on anticipated competition and discounts among multiple value added resellers of the required brand name Salesforce Shield subscriptions. 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 Shield 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.

