


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, New Jersey 07724
2. Description of Action: The proposed sole source action is to procure software maintenance support for 250 Plexis Care Manager (PCM) licenses from Plexis Healthcare Systems, Inc., 340 Oak Street, Ashland, OR 97520-1296.
3. Description of Supplies or Services: VA-Financial Services Center (FSC) requires ongoing support and maintenance for 250 Plexis Care Manager (PCM) seat licenses. This procurement is for software maintenance support which includes an annual fee for reference data for the PCM software licenses. PCM is an integrated Microsoft Structured Query Language (SQL) Server-based healthcare information system providing complete benefit administration, medical and vision claim processing, and reporting features for organizations in a competitive healthcare Information Technology (IT) environment. The Contractor shall provide software maintenance to support for the 250 PCM seat licenses, including access to UB-04 reference data, upgrade assurance and technical support services. Onsite support is not required. Software maintenance support is required 24 hours a day, 7 days a week through either the Plexis customer care 800 line or email. The period of performance shall be a 12 month base period and two (2), 12 month option years.


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:

As a franchise fund organization within the VA Franchise Fund, the VA-FSC must sustain its operations through charges to federal customers on a fee for service basis. In order to support the VA-FSC's customer, the Veterans Health Administration (VHA) and the Veteran Access to Care Act of 2014 (H.R. 4810; 113th Congress) requires the VA-FSC to maintain and support a claim processing capability. VA-FSC utilized Plexis Care Manager (PCM) software for claims processing. The VA-FSC procured 100 Plexis Claims Manager (PCM) software licenses in October 2014 and an additional 150 licenses in March 2017. This action is to procure the software maintenance support for these existing 250 client licenses. To continue processing claims, the PCM software maintenance support is required.

The VA-FSC's healthcare claims processing is currently solely based on the Plexis Claims Manager software. An extensive search led to the benefits and claims administration solution offered by Plexis Healthcare Systems. Plexis offered the best combination of features. Because the VA-FSC had unique requirements in addition to the need for more efficient claims processing and benefit administration, Plexis created a software application that integrated an efficient document management capability with an imaging functionality and enhanced reporting to support call center needs. Plexis, furthermore, enabled a web front-end for accepting referrals and authorizations from 800 detention centers along the borders of the United States. Through the Plexis software application, all claims can be imaged in the VA's document management capability and a Document Locator Number (DLN) can be assigned to every record so that electronic images are instantly retrieved. Additionally, the Plexis software application met VA-FSC's implementation requirements. For example, in order to make payments through the Treasury Department, an automated solution had to be developed to pull the Explanation of Benefits from Plexis with a check file from an accounting system so a single file could be sent to the Treasury Department. The result was a 33 percent savings plus significant improvement in customer service.

The VA-FSC has a considerable vested interest in processing healthcare claims. If the VA-FSC does not maintain the current PCM software application through the software maintenance support, it would lose its ability to support its healthcare claims processing services to VHA in accordance with Veteran Access to Care Act of 2014 (H.R. 4810; 113th Congress), which would result in serious financial harm.

Currently only the PCM maintenance support can meet the current VA-FSC healthcare claims processing needs. No other source can provide the PCM annual software license subscriptions and associated maintenance support. The current Plexis custom system is an integrated computing proprietary imaging system which provides enhanced reporting to support call center needs. The software is an integrated component of the system itself. Without the software maintenance, the system could potentially become inoperable. In addition, using any other brand name software will result in the loss of the current integrated document management capability with imaging and reporting functionality.

The only available sources for Plexis software license maintenance support is Plexis due to the propriety restrictions. Plexis verified that it has no authorized resellers due to proprietary restrictions. Only Plexis has the proprietary rights to access the fundamental elements of the software thereby being the only source to provide the software maintenance support needed. Plexis has provided a written confirmation that it is the only source with no authorized resellers which has been made part of the file.

6. Efforts to Obtain Competition:

Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's requirements. There is no competition anticipated for this acquisition. Additionally, the proposed action will be synopsisized on the Federal Business Opportunities Page in accordance with FAR 5.201. Any proposals that are received shall be evaluated.

7. Actions to Increase Competition:

In November 2017, the VA-FSC contracted under a competitive acquisition for a Commercial-Of-The-Shelf (COTS) claims adjudication software. As a result, the VA-FSC is in the early phase of implementing a new healthcare claims processing system but until the new system is installed and configured, the VA needs the Plexis Claims Manager software maintenance support to continue healthcare claims processing. This requirement can only be met at this time from Plexis Healthcare Systems, Inc.

8. Market Research:

Market Research was conducted by the FSC team. VA-FSC searched GSA Advantage, NASA SEWP, FedBizOps and Federal Procurement Data System – Next Generation (FPDS-NG) web-based databases and no other vendors were found. The procurements found in FPDS-NG for this product were not competed and were sourced under other than full and open competition. VA-FSC also contacted Plexis Healthcare Systems and verified there are no other re-sellers of their software. The verification was provided by email which has been made part of the file. In addition, a Request for Information (RFI) was released on the Federal Business Opportunities (FBO) Page on August 16, 2018 to ascertain if there were any sources other than Plexis that could meet the Government's requirements. The RFI encouraged responses not only from Plexis or authorized resellers of PCM but also any other equivalent solution. No responses were received. FSC's healthcare claims processing is solely based on PCM software and has been modified to meet their unique requirements. The results of this market research support the basis for a sole source award to Plexis, as the PCM software is proprietary and Plexis, as the developer, is the only source of supply for both the PCM software and maintenance support services. To further support a sole source procurement, which has been documented in a separate justification, Plexis provided a written letter, dated August 27, 2018, stating that Plexis is the sole source provider for the software license support maintenance required based on the proprietary nature of the license source code and that no authorized resellers exist.

9. Other Facts:

None.