

JUSTIFICATION
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Procurement, Acquisition, and Logistics
Technology Acquisition Center
23 Christopher Way
Eatontown, NJ 07724
2. Description of Action: The proposed action is for a firm-fixed price delivery order issued under the National Aeronautics and Space Administration (NASA) Solution for Enterprise-Wide Procurement (SEWP) V Government Wide Acquisition Contract (GWAC) for the procurement of brand name Salesforce subscription licenses with associated software maintenance and support.
3. Description of the Supplies or Services: The VA, Office of Information and Technology (OI&T), Enterprise Program Management Office has a requirement for the renewal of over 350,000 brand name Salesforce subscription licenses for continued access to the following Salesforce Application Suite of products already in use at VA: Customer Community; Customer Community Plus; Force.com Restricted and Unrestricted; Wave Analytics Cloud Restricted and Unrestricted; Health Cloud and Service Cloud Restricted and Unrestricted; SalesForce Shield; and Service Cloud Restricted and Unrestricted. Salesforce is a multi-tenant architecture Platform-as-a-Service (PaaS) with software delivered via the cloud through a subscription service delivery model, commonly referred to as Software-as-a-Service (SaaS). Included in the PaaS and SaaS are associated software maintenance and support which include patches, updates, helpdesk support, and architectural support (in a Federal Risk and Authorization Management Program (FedRAMP) certified government cloud) required by VA to sustain and expand deployment of VA's Salesforce Application Suite.

VA requires the renewal of the existing brand name Salesforce subscription licenses that are cloud-based, self-service, and self-configurable to adjust to changing demands in functionality.

The associated Salesforce software maintenance and support also includes three software upgrades a year, which ensures all Federal customers are on the same release, enables automatic upgrades of all VA modules (no additional cost or coding), provides a closed social network, Tier 2 and 3 helpdesk support, and supports a partner network of thousands of Independent Software Vendors via the Salesforce AppExchange software.

This effort shall have a base Period of Performance (PoP) of September 26, 2019, through June 25, 2020, with four 12-month option periods for continued access to the brand name Salesforce subscription licenses and associated maintenance and support. In addition, this procurement includes optional tasks for additional subscription licensing/upgrades which may be required for expansion of the user base of the current

applications or any newly configured modules on the Salesforce platform throughout the PoP.

4. Statutory Authority: Pursuant to Federal Acquisition Regulation (FAR) 16.505(a)(4), the following brand name requirement is being justified and approved as an exception to fair opportunity under the statutory authority of Section 41 U.S.C. 4106(c)(2) as implemented by 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 or highly specialized".

5. Rationale Supporting Use of Authority Cited Above: Based on market research, as described in Section 8 of this justification, it was determined that limited competition is viable among resellers for brand name Salesforce subscription licenses, which includes maintenance and support. The required Salesforce subscription licenses and associated maintenance and support are proprietary to Salesforce. 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. VA delivers business functionality through these Salesforce configured cloud applications to key stakeholders including OI&T, MyVA, Veterans Benefits Administration, Veterans Health Administration (VHA), and National Cemeteries Administration. The Salesforce platform contains personally identifiable information (PII) and personal health information (PHI) including Digital Veterans Platform and Quality Management System.

Only Salesforce software is interoperable and compatible with the current VA Salesforce Application Suite because the current platform is comprised of Salesforce products operated through Salesforce proprietary code. Based on market research, and as further detailed below, any other vendor providing these services would require redesigning and re-platforming of all modules which will introduce significant duplicated costs, delivery delays and risks to VA. The current portfolio represents over two years of configuration and implementation work. Redesigning and re-platforming these modules would represent, at minimum, a similar time frame and economies of scale, and platform repeatability would be compromised. Furthermore, any decision to do so would require a significant timeframe to research, procure, and deliver new solutions which would overlap the pending license expiration of September 25, 2019. A gap in license coverage would render the functionality unable to support mission critical programs, including caregiver's benefits, homeless Veterans benefits and VHA Case Management.

Redesigning and re-platforming of these applications would lead to extensive delivery delays of planned functionality release, duplicative costs that would not be recovered or justified through competition (as the same functionality would have to be rebuilt on a new platform), and a major development effort to re-architect a PaaS/SaaS. This is due to the fact that Salesforce applications use Apex coding to enable developers to add

business logic to most system events, including button clicks, related record updates, and Visualforce pages. Apex coding is proprietary to Salesforce and all functions currently developed in Apex would need to be rewritten in another code, such as Java or another proprietary language. VA technical experts have determined it would take at least 36 months to re-platform the current modules onto another cloud based platform and duplicative costs cannot be determined at this time. In addition, with any re-platforming effort, there is the risk that one or more applications will not work as intended. This would negatively impact Veteran service delivery, as many of these applications are mission critical.

Also, based on past experience, there would be a significant data migration effort required, which would include sensitive Veteran data (PII and PHI), as well as a significant risk of such data becoming exposed or corrupted during migration. Additional data migrations also increase risk, schedule, scope and costs in a re-platforming effort. Exposure or corruption of sensitive Veteran data would negatively impact Veterans, the mission, expose VA to potential legal liability, and negatively impact the public perception of VA's ability to fulfill its mission.

Salesforce is the only vendor that enables the sharing and reuse of applications and components within/across the entire VA user base, as well as the leveraging of applications and components from other government and commercial entities via the Salesforce AppExchange. The ability to share and/or re-use applications dramatically lowers the cost, complexity and risk of supporting VA's mission and large scale requirements. Solutions deployed with technologies from other vendors are not compatible with the Salesforce source code, nor can they be integrated into the single version source code.

Finally, to assure continued operational success, and support the expansion of the user base of the modules that have been built on the Salesforce Application Suite, VA must continue the Salesforce license subscriptions to maintain access to the current maintenance and support, including patches, updates, and helpdesk support. Access to software patches and updates is required to ensure that all applications built on VA's Salesforce Application Suite remain secure. The Salesforce platform contains proprietary source code and no other vendor is able to provide the necessary patches and updates and software and platform support without access to the proprietary source code.

To summarize, Salesforce is the only vendor that can meet VA's requirements for interoperability and compatibility, security, application reuse, and maintenance and support, without the requirement for a major redesigning and re-platforming effort and associated risks, delivery delays, and costs.

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 amongst multiple

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 software could integrate into VA's existing suite of Salesforce applications.

8. Market Research: Ongoing since May 2017, the Government's technical experts have conducted market research by reviewing similar SaaS and PaaS software and associated services. Most recently, in May 2019, similar products reviewed included Microsoft Dynamics Cloud, SugarCRM, ServiceNow, Appian, Pega, Oracle, OpenText, and AINS. Based on the review of these similar products, the Government's technical experts determined that none of these products can meet the Government's interoperability, compatibility, security, and application sharing/re-use requirements previously discussed in Section 5 of this justification. In addition, VA's technical experts also could not find any other sources that could provide the aforementioned maintenance and support without access to the proprietary source code for the Salesforce subscription licenses. Unauthorized software providers do not have access to use the proprietary source code of the Salesforce subscription licenses and are not able to provide troubleshooting, updates, fixes, patches, and upgrades. VA contacted Salesforce in August 2019 to ascertain if the proprietary software code is for sale. Salesforce advised that its proprietary software code is not for sale. Salesforce did indicate that usage of its proprietary code and its ability to sell PaaS and SaaS to VA is only authorized through its resellers.

In July 2019, additional market research was conducted through the use of the Provider Lookup Tool on the NASA SEWP V GWAC website, which identified multiple Service-Disabled Veteran-Owned Small Business (SDVOSB) Value-Added Reseller GWAC holders in Group B(2) that provide the brand name Salesforce subscription licenses and associated maintenance and support. Therefore, limited competition is expected among SDVOSBs for this proposed action.

9. Other Facts: None.