

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: This proposed action is for a firm-fixed-price task order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for brand name Pitney Bowes, Inc. (Pitney Bowes) software maintenance.
3. Description of the Supplies or Services: The Department of Veterans Affairs (VA), Information Technology Operations and Service, Infrastructure Operations (IO) requires continued software maintenance of brand name Pitney Bowes' Code-I Plus, United States (US) Postal Database Software, Mailstream Plus, VeriMove and VeriMove Database and US Postal Service Reference File perpetual software licenses currently in use at four VA Information Technology Centers. Pitney Bowes software maintenance is required for the continuous operation of the legacy Benefits Delivery Network (BDN) payment system. The Veterans Benefits Administration (VBA) has used this software for over 25 years and it supports the VBA batch BDN payment system applications. Many of the VBA business lines Veteran entitlement applications have been written to support this software code. The software maintenance will consist of software updates, patches, point releases, service releases and security releases of applicable software on a quarterly basis, and/or within 48 hours in cases in which a high-risk vulnerability fix becomes necessary. The software maintenance support is necessary to ensure the software remains fully functional and operational allowing the applications to operate successfully. The Contractor shall provide one telephone number and/or a point of contact for VA to contact and open maintenance service calls. In addition, the Contractor shall provide secure connection capabilities for the downloading of software updates and/or the uploading of diagnostic information. The preferred protocol for transfer is Secure File Transfer Protocol. The period of performance (PoP) for this effort shall be from October 1, 2019 through September 25, 2020, with four 12-month option periods. VA anticipates utilizing the Pitney Bowes software that requires maintenance for perpetual licenses for at least five years and therefore require this PoP length. The total estimated price for this proposed action, including options, is [REDACTED].
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 the 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 available among resellers for the Pitney Bowes software maintenance support. The current IO infrastructure is based on existing Pitney Bowes software and VA requires maintenance compatible with the existing software protocols and functionality for continued operational availability. Pitney Bowes software is a proprietary software; therefore, no other software maintenance provider has the proprietary code required to perform the necessary maintenance support. Pitney Bowes owns the proprietary rights to the software. Based on the market research, only Pitney Bowes or an authorized reseller can provide the necessary software maintenance support because of the propriety source code required to develop and implement software updates. Without access to the proprietary source code, existing proprietary database structures, protocols, and software application programming interfaces, software updates cannot be installed, which would result in the data center infrastructure functioning with an outdated and unsupportable software version. VA is not replacing its current IO infrastructure. It is estimated that replacement of the current IO infrastructure will require five to six people for one year to migrate, make changes to existing processes, test, move to production, and continue to make changes to stabilize the new software. Replacement of the current IO infrastructure will also require a significant reengineering effort and potentially result in disruption to service and possible failure of payment delivery to Veterans. Replacement of the current IO infrastructure would result in extensive delays of a minimum of one year and duplicated costs in excess of [REDACTED] (including labor and licensing) that would not be recovered through competition. These estimates are based on similar efforts to procure the software and establish the current IO infrastructure. Operating with outdated and unsupportable software will result in providing less functionality to the end users utilizing the IO infrastructure. Specifically, it will adversely affect VBA's ability to make benefit payments to Veterans. The brand name Pitney Bowes software maintenance is the only software maintenance that meets the Government's requirements.
6. Efforts to Obtain Competition: Market research was conducted, details of which are provided 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 resellers for brand name Pitney Bowes software maintenance support. In accordance with (IAW) FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsisized, and the justification will be made available within 14 days of award on the Federal Business Opportunities Page. Additionally, IAW FAR 16.505(a)(4)(iii)(A)(1), the justification will be posted with the request for quotation on NASA SEWP.
7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be competed.
8. Market Research: VA technical experts conducted market research by reviewing other similar mail management software maintenance providers. This market

research is an ongoing process starting in February 2019 and continuously conducted as recently as June 2019. The subject matter experts (SME's) found other similar software and software maintenance from the following manufactures: Satori, BCC Software, and Melissa Data mailing software companies. The SME's determined that none of these Original Equipment Manufacturers can meet the Government's requirements as outlined in Section 5 of this justification due to the need to access the source code and other proprietary data of the Pitney Bowes software to perform the maintenance support. Only Pitney Bowes or an authorized reseller can provide the necessary software maintenance support because of the propriety source code required to develop and implement software updates. Furthermore, VA SME's regularly review industry trade publications and conduct internet research to ascertain if any other brand name software maintenance is available. Based on all of these market research efforts, the Government's technical experts have determined that only brand name Pitney Bowes can meet all of VA's needs.

Additional market research was conducted by the Contract Specialist in August 2019 via the NASA SEWP V GWAC Provider Lookup Tool. The Contract Specialist identified several NASA SEWP V GWAC holders who are Pitney Bowes resellers. Of those, more than two are Vendor Information Pages verified Service-Disabled Veteran-Owned Small Businesses.

9. Other Facts: None