

JUSTIFICATION AND APPROVAL
FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
260 Industrial Way West
Eatontown, New Jersey 07724

2. Description of Action: The proposed action is for a 12-month, firm fixed-price contract, for Bull HN Information Systems, Inc. (Bull) brand name software license renewals and support services for the existing Bull brand name hardware and licensed software utilized on the VA-owned Nova Scale 454 and 452 mainframe systems platforms to include maintenance on all peripheral devices and all associated software licenses supporting the VA Benefits Delivery Network (BDN) Payment Systems production and backup disaster recovery systems. The period of performance for this contract will consist of one 12-month base period to provide continued support of this VA mission critical Veterans' payment system.

3. Description of Supplies or Services: The proposed action is to obtain Bull brand name software license renewals and support services for the existing Bull brand name hardware and software utilized on the Nova Scale 454 and 452 mainframe systems platforms in VA facilities located in Hines, Illinois and Philadelphia, Pennsylvania to include maintenance on all peripheral devices utilized on the Veterans' benefits payment systems. Support services include technical support and maintenance on the station at the production location (Hines Information Technology Center) during the online day systems period of operations, 6:00 AM through 9:00 PM, and 24X7 on-call engineer support for all hardware components issues and for response to all systems software alert message notifications for patches and fixes. The Nova Scale 454 and 452 hardware platforms and associated mainframe software GCOS 8 (General Comprehensive Operating System Release 8) provide seamless communications to various Bull peripherals. The maintenance for current Bull brand name hardware and software utilized on the Bull peripherals will ensure these items remain operational. The existing Bull hardware platforms are critical information technology (IT) systems infrastructure which provide the BDN Payment System payment tape via secure communication encrypted channels with the United States (U.S.) Department of Treasury for generating of monthly Veterans' entitlements. The Veterans Benefits Administration's (VBA) BDN Payment System is an automation support system for compensation, pension and education claims which processes and provides the interface to VBA's other benefits delivery systems. The BDN Payment System comprises the legacy application systems, computer hardware, operating systems, and network components that VBA employs for the payment of non-medical benefits to our nation's Veterans. The BDN Payment

System must be in place while VA moves forward with a new paperless claims processing development initiative, the Veterans Benefits Management System (VBMS). The estimated timeframe for this to occur is some time in 2014 and therefore it is important to have the software and support services in place for the time period between January 6, 2013 (when the current TO expires) and when VBMS is deployed in 2014. The VA SD&E Region 5 IT Field Operations previously acquired these required services under General Services Administration (GSA) Task Order (TO), Number VA118-10-F-0413, awarded under GSA schedule Number GS-35F-0783M with Merlin International, which expires on January 6, 2013. VA intended to exercise option year two under TO Number VA118-10-F-0413, however GSA advised VA that GSA schedule GS-35F-0783M expired effective September 2012 and therefore no options under TO VA118-10-F-0413 could be executed. The Government does not anticipate any future requirements for the Bull Nova Scale quad processor systems after this proposed contract award as VBMS is expected replace the BPD Payment System. The total estimated value of the proposed action is [REDACTED]

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. Reason for Authority Cited: The proposed source for this action is Merlin International (Merlin), 4B Inverness Court East, Suite 100, Englewood, Colorado, 80112. Merlin is the only source that is authorized to market support services on the Bull brand name hardware and software. Merlin currently has an exclusive partnership agreement in place with Bull and is presently the sole-source supplier of all Bull hardware, software, and professional services to the U.S. Federal Government. Bull does not directly sell any products or support services directly to the U.S. Government. Only Bull brand name software licenses can meet all of the Government's requirements. There is no other brand name software that can meet all of VA's needs and be interoperable and compatible with the current software utilized on the Bull brand name hardware and software utilized on the Nova Scale 454 and 452 mainframe systems platforms in VA facilities located in Hines, Illinois and Philadelphia, Pennsylvania. These Bull mainframe systems platforms are comprised of only Bull brand name software and hardware. Utilizing other software would result in interoperability and compatibility issues. Specifically, these issues include an inability to communicate with the Bull brand name software that is currently used on the Bull mainframe systems platforms. The Bull brand name software is proprietary and communicates through a proprietary source code. The current BDN Payment System requires the use of Bull maintenance to remain operational. Additionally, only Merlin can provide

the aforementioned support services and maintenance for current software and hardware utilized on the Bull mainframe systems platforms. Any source that provides the maintenance must have access to the requisite proprietary source code in order to effectively maintain and support the currently installed Bull brand name software and hardware.

6. Efforts to Obtain Competition: Market research was conducted and the details are contained in the market research section below. This effort did not yield any additional potential sources who could meet the Government's requirements. There is no competition anticipated for this acquisition.
7. Actions to Increase Competition: The long term strategy is for the development of the VBMS program initiatives – Veteran's paperless claims processing which will replace the BDN Payment System. The Government does not anticipate any future requirements for the aforementioned brand name software and maintenance. The VBMS program rollout supporting paperless claims processing for the Veterans Benefits Administration is scheduled to begin in calendar year 2014. Additionally, in accordance with FAR 5.201, this action will be synopsisized on the Federal Business Opportunities Page (FBO). Any responses received from the synopsis will be evaluated.
8. Market Research: Market research was conducted by the Government's technical experts by reviewing generally available product literature published by manufacturers, distributors, and dealers or available on-line in November 2012 to ascertain the ability of other similar software meeting VA's needs. Specifically, the Government's technical experts reviewed similar software available in the commercial market including industry leaders such as IBM and Oracle (Sun Micro Systems). Based on a review of this other brand name software, the Government's technical experts and program management officials determined that no other software, including IBM nor Oracle, would be interoperable and compatible with the existing \$60 billion dollar legacy application payment system. Specifically, other software cannot communicate through the Bull proprietary source code, which is embedded in the Bull mainframe systems platforms. Based on this market research only the renewal and maintenance of Bull brand name software and firmware resident in the equipment can meet all of VA's needs. Furthermore, Bull provided a letter to VA stating that Merlin International, Inc. is presently the sole source supplier of Bull HN Hardware, Software and Professional services to the U.S. Federal Government.
9. Other Facts: None

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.

for Steve Mercier Date: 12/20/2012
Program Manager Signature: [Signature]

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 the Independent Government Cost Estimate and price analysis.

Debra G. Clayton Date: 12/20/2012
Procuring Contracting Officer Signature: [Signature]

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

Debra G. Clayton Date: 12/20/2012
Procuring Contracting Officer Signature: [Signature]

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support other than full and open competition and deem it legally sufficient.

Lea Duerinck Date: 12/20/2012
Legal Counsel Signature: [Signature]

Approval

In my role as Contracting Activity Competition Advocate, based on the foregoing justification, I hereby approve a 12 month Firm Fixed Price contract for Bull HN brand name software license renewals and support services for the current Bull HN brand name hardware and licensed software utilized on the VA owned Nova Scale 454 and 452 mainframe systems platforms, on an other than full and open competition basis pursuant to the authority of 38 U.S.C. 8127(b), subject to availability of funds, and provided that the services herein described have otherwise been authorized for acquisition.

Date: 12/21/12

Signature: *Iris B. Cooper*
Iris B. Cooper
Head of the Contracting Activity