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, NJ 07724

2. Description of Action: The proposed action is for a firm-fixed-price (FFP) contract consisting of a 12- month base period, with two, 12- month option periods for continued Remote Hosting (RH), System Management Services (SMS), Application Management Services (AMS), Disaster Recovery (DR) services, and management and technical support for the Cerner Millennium PathNet Laboratory Information Management System (LIMS). The LIMS is being used by the Alpha test site, VA Medical Center (VAMC) in Huntington, WV.

3. Description of Supplies or Services: The proposed action is to provide continued services for RH of a technology platform, and SMS and AMS to support the ongoing effort of Cerner Millennium PathNet LIMS for Alpha Sustainment at Huntington VAMC. The Cerner Millennium PathNet LIMS is an industry-leading laboratory system that supports the VA Pathology and Laboratory Medicine Service (PLMS) by supporting the VA business processes including laboratory specimen collection, processing and providing high quality laboratory test results for Veterans. Currently, the Cerner Corporation is configuring, testing, and delivering the Cerner Millennium PathNet LIMS. The proposed action will provide for continued RH services in order to sustain and maintain the LIMS for the Alpha test site until such time as the integrated Electronic Healthcare Record (iEHR) Laboratory solution replaces it, which is estimated to be in fiscal year 2016. The hosting environment is required to meet all applicable VA specifications as well as minimize short and long term risks regarding application availability, disaster recovery, and support. In addition, the proposed effort for technical support includes all staffing requirements for data center operations and maintenance. Additionally, DR, high availability, and business continuity metrics are critical elements in the scope of the required hosting environment.

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 Cerner Corporation 2800 Rockcreek Parkway, Kansas City, MO. Cerner Corporation is the only source capable of providing VA with the aforementioned services in support of the Cerner Millennium PathNet LIMS to support the Alpha Sustainment requirements. Millennium PathNet LIMS is a Cerner Corporation proprietary laboratory application. In the 2005 award of the original development contract in

which the Department of Defense (DoD) was the lead agency, requirements for acquisition and delivery of a technical data package were not included. In 2009, the DoD decided not to continue with the Laboratory System Reengineering Project (LSRP) project and VA assumed sole responsibility for the contract. Repeated inquiries by VA during October 2009, July 2010, July 2011 and December 2012 to Cerner requesting interest to sell Millennium PathNet technical data to the Government have been declined. This lack of technical data and familiarity with the Millennium PathNet application does not allow VA the ability to adequately define the applicable form, fit, function, interoperability and interface requirements necessary to allow for competition with other commercial vendors. Further, given the lack of technical data available to VA, Cerner is the only source capable of meeting all the following VA requirements relating to RH, SMS, AMS, DR, and management and technical support:

a. High availability and redundancy: N+1 redundancy (defined as a system configuration in which multiple components (N) have at least one independent backup component (1) to ensure system functionality continues in the event of a system failure). To be at a level of N+1, the overall system integrity should not be impacted by the failure of any one component, and should continue to function at acceptable performance levels after the loss of any component. Without knowledge of the proprietary configuration, no other source is capable of providing the required redundancy.

b. Full DR Support: The data center must meet Tier IV standards with purposeful exceptions (TIA/EIA SP-3-0092, TIA/EIA-942). The buildings and all components need to survive Enhanced Fujita (EF) Scale 5 tornadoes and meet or exceed Federal Emergency Management Agency (FEMA) 361 Standards. The data center must meet N+1 redundancy where multiple components (N) have at least one independent backup component (1) to ensure system functionality continues in the event of a system failure. The vendor shall ensure that multiple copies of the primary Oracle database are online at any given time and incremental archive logs are stored on separate storage guaranteeing quick recovery from any database issues including corruption. A lack of familiarity of Cerner Millennium PathNet or any similar applications by other sources precludes another commercial vendor from being able to satisfy VA DR requirements.

c. Technical Support: Experienced Millennium PathNet LIMS technical support shall be available 24 hours a day, 7 days a week, and 365 days a year. Required support staff shall have a comprehensive working knowledge of how Millennium PathNet LIMS operates from the backend and front-end. Skilled and trained staff is required to manage and support the Millennium PathNet LIMS application, the operating system, Oracle, and Citrix. Cerner is the only source with extensive knowledge of its proprietary application that enables it to provide the required technical support of any hosting infrastructure and for the application itself.

d. Technology Changes: Since the Millennium PathNet LIMS is proprietary to Cerner, it is the only source capable to support changes in technology since the high availability configuration and the day-to-day responsibility of managing the hosting environment and providing systems and application management is limited to a source with expert knowledge of the Cerner Millennium PathNet LIMS. Cerner is the only source capable of managing the risk for any changes in the underlying technology needed to support Millennium (such as required by Cerner Millennium PathNet LIMS software upgrades). Regardless of how Oracle, or any other layered commercial software (Citrix, MQSeries, etc.) changes with regard to how these applications are licensed or supported, this contractor assumes all risk to support the overarching proprietary application which deems only Cerner, the application provider, capable of providing this support.

6. Efforts to Obtain Competition: Market research was conducted, the details of which are in the market research section of this document in paragraph 8 below. The market research conducted did not yield any potential sources, other than Cerner, who could meet all of the Government's requirements. There is no competition anticipated for this acquisition. Additionally, the proposed action will be synopsized on the Federal Business Opportunities Page in accordance with FAR Part 5.

7. Actions to Increase Competition: All future requirements will be handled on a case-by-case basis to determine future acquisition strategies. The Government anticipates replacement of the LIMS by the iEHR laboratory solution which is estimated to be in fiscal year 2016.

8. Market Research: Market Research was conducted through issuance of a Sources Sought Announcement/ Request for Information (RFI) on the Federal Business Opportunities (FedBizOpps) website on October 12, 2012. The RFI specified that responses from interested sources needed to demonstrate ability to remotely host and support the Cerner Millennium PathNet environment. On October 19, 2012, responses were received.

VA specifically asked the vendors to provide information for remotely hosting a technology platform to support the Cerner Millennium PathNet LIMS for the LSRP environment, and provide systems and application management support for this solution. This includes system operations and maintenance, application support and maintenance, all hardware, software licenses and sub-licenses, DR, high availability and business continuity. The RFI stated that the LSRP environment is the continued ongoing support and maintenance of the Alpha Site, Huntington VAMC, Huntington, WV.

9. Other Facts: Given the proprietary nature of the Cerner Millennium PathNet LIMS application, the Government does not possess the technical data or expertise relative to the application source code to define requirements allowing any other

source, other than Cerner, the ability to define the necessary hosting environment and provide the necessary technical and maintenance support for this application. The Government has already invested in configuring the Cerner Millennium PathNet to serve as the laboratory information management system which is interfaced with the VA VistA to ensure integration with all applications sending and receiving information from VistA. VA is interested in acquiring continued remote hosting services in order to sustain and maintain the LIMS for the Alpha test site until such time as the iEHR Laboratory solution replaces it.