

JUSTIFICATION AND APPROVAL
FOR AN EXCEPTION TO FAIR OPPORTUNITY

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 one year firm fixed-price (FFP) Delivery Order (DO), and two 12-month option periods issued under a National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Government-wide Acquisition Contract (GWAC) for International Business Machines (IBM) Rational brand name software maintenance, software updates, manufacturer telephone and/or web-based technical support services, and additional licenses.

3. Description of the Supplies or Services: The proposed action is to provide software maintenance, software updates, manufacturer telephone and/or web-based technical support services, and additional licenses for a broad range of IBM Corporation's Rational products. These products and services support the Department of Veterans Affairs' (VA) mission by providing software for use on desktop workstations, laptop computers, and servers. The requirement includes maintenance renewal on the standard manufacturer user license agreement for existing perpetual licensing that VA already owns.

VA has used Rational tools for 10 years, throughout software development and release management methods, and has implemented the tools at the enterprise-level to support a shared set of proven best practices. These processes are necessary for staff to determine system requirements, perform system engineering and model software architecture as part of software design. Staffs use these tools daily to test and validate execution, track and manage change, apply configuration control, and integrate all software lifecycle processes. IBM Rational products have been implemented in all major areas of information technology solutions delivery within VA. VA also places a high priority on reusability and extensibility and its ability to build upon processes and data collection successes that it already accomplished. Therefore, it is essential that the VA's choice in products promotes continuing the advantage it has from use of its existing investment in IBM Rational products. The total estimated value of the proposed action is [REDACTED] (inclusive of options).

4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c) as implemented by the Federal Acquisition Regulation (FAR) Subpart 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: This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. Based on extensive market research, as described in paragraph eight of this document, it was

determined that limited competition is viable among authorized resellers for this brand name item. IBM Rational brand name software is the only software that can continue to build upon VA's existing IBM Rational-based software development platform. The VA currently utilizes this existing platform of software development tools. Continued use of these tools will ensure interoperability with the existing development tools, enforce all of its software production project data into enterprise databases, implement agile development methodologies and increase the number of the Office of Information and Technology (OIT) staff and contractors, thereby creating a need for additional license quantities in these tools. This is an existing implementation that requires sustainment and additional license count. Use of the same tools and licensing model is critical to fully integrate the new users into the existing tools platform. Any other brand name software would be unable to integrate with the currently fielded software, already consistent and OneVA Technical Reference Model-approved to be IBM Rational.

The VA requirement is to have a single source code repository, change control repository, requirements repository for all software development and software sustainment projects. Development tools establish their own repositories of tool-created data and artifacts. This requires the same tools to be used to connect to proprietary repositories that are inherent in the usage of a selected tool. Additionally, no other brand name software will be interoperable or compatible with the currently fielded IBM Rational system and IBM Rational brand name software due to differences between tools and tool repositories. No other brand name software will understand the internal configuration of the Rational repositories, nor will it comply with the database definitions and data submission rules.

The existing VA IBM Rational software inventory includes existing ownership of 3,340 licenses for four main product combination packages of existing IBM Rational licenses spread over multiple major and minor products. This software is used by all OIT software development projects to include those projects in direct support of the Secretary's initiatives. Additionally, all of the service support teams in OIT Product Development use this software, which support VA's Information Technology (IT) list of activated projects. All projects utilizing the Program Management Accountability System (PMAS) methodology are mandated by the Chief Information Officer of OIT to use the IBM Rational software development tools to manage their projects. Visibility/transparency is another VA CIO-sponsored program to share statuses (status to completion, number of project changes, number of unmet requirements, configuration management audits, unresolved bugs, etc.) among VA software products/projects and to report upstream and to aggregate project-specific data to the IBM Rational databases. Specifically, only IBM Rational brand name software can provide upstream forwarding of localized data into the existing federated IBM Rational database architecture. This includes enabling a single source code configuration management repository and documentation repository. The upstream of data is critical to produce a single view collective status of all software development related activity over the network. This will ultimately provide VA OIT a single interactive view that displays the monitored VA enterprise software development posture of all software development project elements. Furthermore, any other brand name software cannot accomplish this because the IBM Rational database is being integrated with the PMAS Repository base-

data and is required to be the authoritative source for software development data feeding project delivery schedules in PMAS and MS Project Server.

Only IBM or an authorized reseller can provide the aforementioned software licensing for maintenance renewal, trade-up licenses, and additional licensing since the required IBM software tools are proprietary and requires the supplies and services available from only IBM and/or authorized resellers. Software maintenance, software updates, manufacturer telephone and/or web-based technical support services, and additional licenses of these tools and their repositories requires advanced expertise in tool internals, tool functionality, database configuration, operating systems, and other product dependencies, only the tool manufacturer or their authorized resellers are competitive suppliers of these services.

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. It was determined however that limited competition is viable among authorized resellers for the brand name requirements. In accordance with FAR 5.301 and 16.505(b)(2), this action will be synopsisized at award on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available.

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. The program office will continue to monitor the market for availability of other software development tools that are suitable with VA's infrastructure, and will continually conduct testing and evaluation of those tools when feasible, for consideration during the next competitive procurement and or technology refresh.

8. Market Research: The Government's technical experts conducted market research by reviewing other similar software. This market research is an ongoing process and is continuously conducted through subscription services with research organizations (such as Forrester Research and Gartner Research), review of publically available Magic Quadrant and other white papers, VA side-by-side review of multiple competing products already in use in VA, review of professional trade publications specific to the processes the tools implement, attendance at national conferences hosted by vendors, and research in SEWP for alternate manufacturers as recently as August 2012. Also reviewed annually, are results of independent analyses performed by Gartner, Forrester, etc., that rank software development tools and IBM Rational is consistently ranked well above other manufacturers in all categories.

The Government's technical experts reviewed software from Microsoft; however, that software is not interoperable or compatible with current VA infrastructure of IBM nor does it provide integration with the listing of open source development tools that the VA is introducing into the architecture. IBM Rational provides integrators between products including GIT, JIRA, and many other open source and commercial products that VA is also adopting. In addition, the Government reviewed software from Computer

Associates, which failed to be fully functional in its security model for the variety of roles, protections and audits that must be done for configuration management requirements. Computer Associates cannot offer the highly integrated software development portfolio of products that IBM Rational provides and it did not fully support the geographic challenges that VA must resolve with software changes being introduced by remote and concurrent development activities.

Next, the Government reviewed software from Serena; however, Serena's products did not offer a software development tools suite that would allow the VA to perform test-driven and model-driven development nor did it fully integrate requirements. Serena's products failed to produce all views of software development status data in one seamless application, which is needed to allow users so see across all lifecycle data in a project.

Managing full software development methodologies require VA requirement data tools, coding/design tools, information and architecture modeling tools, and testing tools to be fully integrated in order to document full traceability of stated business requirements and reference models into functional requirements, change orders for software, and test cases and evidence. VA has not identified any other provider of software development tools that has enabled the level of tool integration as defined currently and in the original requirements. The requirement to integrate project design, change, issue, risk, requirements and testing data from the IBM Rational tools databases with VA project scheduling data extends our need to have the data residing in software development tools to be able to integrate as simply as possible with other data collection systems. Lacking a single repository with integration, already enabled by the tool manufacturers working with other tool business partners, alleviates the additional burden to interface multiple separately defined, stored, and formatted project development repositories, at significant additional cost and time to enable and sustain multiple data feeds from multiple sources. Instead, continuing to install the same tool on additional desktops and continuing to stay the course with the single repository for project development data is the most viable and logical solution by sustaining the OIT PD and Enterprise Architecture decision to approve the IBM Rational tools for all software development activities.

Additionally, other OIT offices who have previously procured other tools that are listed as possible competitors have provided access to their tools and have been found to be lacking functionality that OIT has required since introducing standardized development tools in 2001. Review of these products is based on actual VA experience using the competing monitoring software. Subject Matter Experts regularly review industry trade publications and conduct internet research to ascertain if any other brand name software is available. Based on all of these market research efforts, the Government's technical experts have determined that only IBM Rational brand name software can meet all of VA's needs.

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.

Julie S. Harvey

Date: 12/31/2012

Senior Program Director

Signature: Julie S. Harvey

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 NASA SEWP IV, GWAC pricing having already been determined fair and reasonable. In addition, there is price competition among authorized IBM resellers. Finally, the successful quotation will be compared to the Independent Government Cost Estimate.

Carol G. Newcomb

Date: 2/12/2013

Procuring Contracting Officer

Signature: Carol G. Newcomb

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

Carol G. Newcomb

Date: 2/12/2013

Procuring Contracting Officer

Signature: Carol G. Newcomb

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support an exception to fair opportunity and deem it legally sufficient.

James V. Scuro

Date: 02/13/2013

Legal Counsel

Signature: James V. Scuro

Approval

In my role as Head of the Contracting Activity, based on the foregoing justification, I hereby approve the acquisition of software maintenance, software updates, manufacturer telephone and/or web-based technical support services, and additional licenses for a broad range of IBM Corporation's Rational products on an other than fair opportunity basis pursuant to the authority cited in paragraph 4 above, subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: 2/15/13Signature: Wendy J. McCutcheon
Iris B. Cooper
Head of the Contracting Activity