JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

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 sole source action is for a contract modification to expand the scope of VA Electronic Health Record Modernization (EHRM) Indefinite Delivery Indefinite Quantity (IDIQ) contract number 36C10B18D5000, supporting the enterprise-wide deployment of the VA Electronic Health Record (EHR). Specifically, this modification will increase the overall contract ceiling by [redacted] and add three one-year optional ordering periods.

3. Description of Supplies or Services: On May 17, 2018, VA awarded a sole-source IDIQ contract to Cerner Government Services, Inc. (Cerner), now known as Oracle Health Government Services, Inc. (Oracle). At award, the contract consisted of a five-year base period, with a Period of Performance of May 17, 2018 through May 16, 2023, and one five-year optional period, with a Period of Performance of May 17, 2023 through May 16, 2028. On May 16, 2023, Modification P00002 restructured the optional period into five one-year optional ordering periods leaving the overall period of performance unchanged. The contract was established to acquire the EHR system that was being deployed by the Department of Defense (DoD), henceforth referred to as the Department of War (DoW), in order to provide seamless healthcare for Veterans and qualified beneficiaries. The sole-source award was supported by a Determination and Findings (D&F) for a Public Interest exception, signed by VA Secretary David Shulkin on June 1, 2017. The original contract was awarded with a total ceiling value of $9,996,557,385.06.

This proposed modification will add three one-year firm-fixed-price optional ordering periods, potentially extending the overall Period of Performance from May 17, 2028 through May 16, 2031. Additionally, this modification will increase the total contract ceiling value from $9,996,557,385.06 by [redacted] to a new total ceiling of [redacted]. This modification will make no changes to the nature of the work in the IDIQ performance work statement, i.e.: program management, delivery of an enterprise-wide EHR system; change management, training, testing, deployment services, sustainment and other solutions encompassing the full range of EHR requirements, including but not limited to hosting, software, and hardware incidental to the overall solution. This modification is necessary and critical to continue EHRM deployment activities and associated support services until all VA Medical Centers (VAMCs) and associated facilities have fully transitioned to the EHR system. Due to unanticipated complexities in deploying this system, extensive site-specific customizations, as well as the other factors described in Section 5, VA has reached the current contract ceiling sooner than originally planned. VA anticipates using the remaining ceiling by the first quarter of fiscal year 2027 and thus requires an increase

to the current contract ceiling. As of July 2026, VA successfully deployed to 14 sites and developed a standard deployment model that greatly increases the likelihood of successful outcomes in future deployments. The total estimated value of the proposed action is [redacted]. This estimate is based on the historical work executed to date, the standard deployment model, and all other requirements necessary to deploy and sustain the EHR under the approved accelerated deployment schedule, which is required to meet VA requirements and Veteran's needs.

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 Revolutionary Federal Acquisition Regulation Overhaul (RFO) 6.103-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

5. Rationale Supporting Use of Authority Cited Above: The proposed source for this action is Oracle Health Government Services, Inc. located at 8779 Hillcrest Rd., Kansas City, MO 64138. VA is a complex enterprise with a network of semi-independently operated VAMCs using approximately 133 different instances of the legacy Veterans Health Information Systems and Technology Architecture (VistA) system. Since the IDIQ award in 2018, the unanticipated complexity of the effort as well as several other factors complicated the planned completion of all deployments by 2028. Specifically, VA-specific requirements that were not part of the Cerner commercial system, technical glitches impacting use of the system which resulted in an extended pause in deployment activities, training issues due to the complexity of the system, clinical gaps or errors in functionality with potential impact on patient safety, and Covid restrictions limiting on-site deployment efforts all caused unanticipated complexities in deploying the system. As a result, considerable rework has been identified and implemented across the system and supporting processes. Deployments have been delayed until rework was completed in order to meet all of VA's requirements, maximize user adoption, and reduce medical center concerns. To date, deployment has been completed at 14 sites. Apart from the 36 sites scheduled to go live from August 2026 through January 2028, the remaining 120 sites cannot be completed within the existing IDIQ PoP and ceiling.

No source other than Oracle can meet all of VA's requirements for an EHR system and associated support. There are numerous reasons why only Oracle can meet VA's requirements. These reasons are fully discussed below.

- Seamless Interoperability: Only Oracle's EHR system can meet the Government's requirement for seamless interoperability with DoW. The EHRM IDIQ was awarded to Cerner (now known as Oracle) on May 17, 2018, under a D&F that cited the Public Interest exception to competition. The IDIQ was a 10-year contract envisioned to support deployment of the EHR across all VAMCs and associated facilities by May 2028. This was done to ensure that VA and DoW were using a shared electronic health record capable of supporting the seamless transfer of active-duty medical records from DoW to VA. The original D&F described the importance of a shared system as follows: "Approximately 5.7 million patients have received healthcare at both a VA and DoD facility within the last seven years. VA's

adoption of the same EHR system as DoD will ultimately result in all patient data in one common system and enable seamless care between the Departments without the manual and electronic exchange and reconciliation of data between two separate systems." Not only does the original premise of the D&F outlined above remain applicable today, but the importance of this shared system is even more critical today. Specifically, VA faces significantly higher demands for coordinated, data-driven care; increased reliance on telehealth and digital services; growing complexity in managing Veterans' health data across multiple care settings; rising cybersecurity threats that require unified modernization; and an expanded need to seamlessly share patient information with DoW and community providers to ensure continuity of care for a rapidly aging and increasingly diverse Veteran population. Use of any other brand name system other than Oracle's EHR system would result in an inability to share critical DoW and Veteran patient data which would result in inefficiencies in the timely creation of a shared lifetime medical record, impacting VA's ability to deliver seamless clinical care and to support a consolidated research data base to continue evolving improvements to Veteran care. This is due to proprietary constraints within VA's Oracle EHR system that will only allow full functionality required by VA to work with the Oracle EHR system at DoW. Additionally, section 713 of the 2014 National Defense Authorization Act (NDAA) requires that the DoW and VA have an EHR that is "interoperable with an integrated display of data, or a single electronic health record." Only the Oracle EHR system can meet VA seamless interoperability requirements and be in full compliance with the aforementioned NDAA provisions. Replacing the VA EHR with a new software solution that is not shared with DoW would be in direct conflict with the NDAA and would fail to meet VA's functional requirements.

- Shared system / shared Federal hosting environment: DoW and VA using the Oracle EHR system allows VA to have shared functional improvements made by DoW that are applicable to VA and critical in meeting the needs of VA and Veterans. For example, an update required by DoW to emergency room dashboards would be available to VA without incurring additional cost. Additionally, by using the same commercial EHR as DoW, VA shares a Federal enclave and associated Federal firewalls and cybersecurity protections and the cost efficiencies associated with a shared environment. If VA moved to a different software provider, these shared benefits along with the benefits derived from seamless interoperability would no longer be available to VA. This would result in additional VA-funded development to improve security and clinical functionality.

- Extensive duplication of costs and delivery delays: No other EHR system, other than Oracle's EHR system, can meet all of VA's requirements without incurring extensive duplicated costs and delivery delays that would not be recovered through competition. VA estimates that switching to a new EHR vendor would result in over [redacted] in duplicated costs and a delivery delay of approximately 6 years. These estimates are based on historical timeline and cost data from EHRM activities to date. Specifically, an EHR implementation across VA requires a significant amount of pre-work to identify differences and gaps between the commercial system capabilities and processes, and VA clinical requirements and

processes. A similar amount of pre-work is required on the technical side to identify differences and gaps in file structures, data formats and terminology, security protections and interfaces to third-party vendors. That pre-work would need to be duplicated if VA moved to a new EHR provider. Additionally, switching to a new brand name EHR system would require two types of system migrations and deployments:

- EHRM live sites: maintaining sustainment under the current vendor to the live sites, followed by a migration from the Oracle EHR to the new vendor solution.

- Legacy sites: migration from VistA Computerized Patient Record System to the new vendor solution.

Each migration and deployment incurs vendor costs to support data migration, training, change management and interface activation - costs that have already been paid for each live site and would need to be duplicated if a different solution were pursued. Extensive time, costs, and effort have been expended to configure the commercial Oracle EHR to meet VA-specific requirements, and to mold VA's varied workflows and processes to work within the confines of the commercial Oracle EHR. Transitioning to an alternative solution at this point would introduce unacceptable risks, including loss of seamless interoperability with DoW systems, undermining continuity of care for Veterans, significant delays and duplicated costs associated with replacing the Oracle EHR system mid-implementation, and operational disruption at sites already using the Federal EHR. Utilizing any other solution other than Oracle's would result in duplicated costs and delivery delays that would not be recovered through competition.

In addition, no other EHR solution can meet all of VA's functional requirements. VA has critical requirements that cannot be met by any other commercial EHR systems. A significant amount of time and costs have already been incurred to modify the Oracle EHR to meet VA-specific requirements in revenue cycle, pharmacy, and interoperability functionality that are not present in the commercial marketplace. These efforts would need to be duplicated if a different solution were pursued. VA has improved EHRM with thousands of configurations and complex customizations. Major non-commercial, VA-specific customizations that only Oracle's EHR solution can provide, include:

- Revenue cycle examples: Connections with VA Consolidated Patient Account Centers to account for unique Veterans Benefits Administration functionality in compliance with legislative and regulatory requirements including communication of lifetime record and processing of disability exam requests. Provision of medical data in support of VA benefit claim requests.

- Pharmacy examples: Generation of pharmacy requisitions via inventory scan for high volume medical center and mail order pharmacy facilities.

Expansion of commercial capability to include VA Medication Image Library content and weekly drug file updates in compliance with VA standards.

- Optimization examples: Immunization and mass vaccine readiness, service connected/special authority processing to correct Veteran billing errors for service-related medical conditions. Cleland-Dole Act 193A eligibility compliance to ensure accurate identification and processing of mental health and substance use disorder care for Veterans.

- Interface examples: Development of 136 baseline interfaces to the EHR from VA service providers such as Network Teleradiology, patient centered management module, VA financial management system, VistA patient record flags, VA Master Person Index, Community Care Referral, Veteran Benefit Management System, and VistA Blood Establishment Computer Software. Localization of interfaces for each live deployment site.

In addition to re-creating customized functionality, any source other than Oracle would result in redeployment of live EHRM sites, re-programming of interfaces and reports, re-migration of data from VistA and deployed sites to the new systems, re-creation and execution of training materials and classes, and re-development of system security and access provisions required by VA. As stated above, VA estimates that this would result in over [redacted] in duplicated costs, which would not be recovered through competition, and delivery delays of approximately 6 years.

- Reduced maintenance of legacy systems: In addition to the timeline required for pre-work and customization, transitioning to a different EHR system would significantly extend the timeline for enterprise-wide deployment of all 170 sites by approximately 10 years. This in turn would require VA to continue to support an aging system (VistA) that consists of 133 separate versions, requires costly updates, presents ongoing maintenance difficulties, and increased risks of cyber security threats via obsolete software. Additionally, VA would need to maintain the Oracle EHR sites that have already been deployed until they could be transitioned to the new vendor. Switching to a new vendor essentially requires maintaining two legacy systems while deploying a new system. The costs of continuing maintenance of VistA as well as Oracle legacy systems due to the estimated 6-year delay in rolling out a new enterprise EHR would not be recovered through competition.

- Enterprise knowledge base: Oracle Health is the only source qualified to continue deployments in VA's highly complex environment. Oracle Health has attained a deep understanding of VA clinical practices, policies, interfaces with legacy systems, data structures, data terminology and the many other components required to work in alignment to ensure successful VAMC deployments. A new vendor would need to gain an in-depth understanding of the VA technical and clinical environment before they could even start with the pre-work required to configure a new system, create a deployment process, and transfer the data from

legacy systems. While this work has already been completed for transition to the Oracle EHR, it would have to be re-done in order to work successfully with a new system. This process will further delay the timeline for completion of an enterprise rollout. Starting over with a new solution is in direct conflict with the high priority VA goal of providing seamless healthcare to Veterans within a reasonable timeframe.

The requirement for a complete and accurate health record for Veterans, including active-duty data, was deemed to be a matter of public interest by the Secretary Shulkin in 2018 and that determination has not changed over time. In fact, the need for this requirement is more critical now than in the past. As stated by Secretary Shulkin, "A Veteran's complete and accurate health record in a single common system is critical to providing seamless, high-quality, integrated care and benefits, and improving patient safety." Disconnects in data between VA and DoW would directly impact patient safety by creating data gaps in critical clinical information. These gaps can result in incomplete medication history, missed or delayed diagnoses, and breakdowns in care coordination. Delaying completion of this project by restarting with a new vendor negatively impacts VA's ability to provide seamless, high-quality care to the Veteran in a timely manner.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. The market research effort did not yield any additional sources that could meet the Government's requirements without significant impact on the implementation of a modern EHR at VA. In accordance with RFO 5.301 and 6.302-1, this action will be synopsized at award on the SAM.gov and this 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 marketplace or within VA that would enable future actions to be competed. Additionally, as more deployment sites go live and reach sustainment status, VA plans to identify components of sustainment support that can be broken out and competed, such as end user sustainment training, reporting, and analytics that can be efficiently provided by other contractors. These efforts are anticipated to be competed.

8. Market Research: In July 2026, additional market research was conducted by Government technical experts to review similar products and ascertain if other brands could meet VA's functionality requirements as outlined in this justification. Specifically, the Government's technical experts conducted extensive web-based research and discovered that while there are other EHR commercial offerings in the marketplace such as Epic, Veradigm, Athenahealth, and Meditech, no other product will meet all of VA's functional requirements and the overall program goal of a shared electronic health capability with the DoW. Veradigm has been scaling back the scope of its EHR to focus on specific health record components such as ambulatory and population health. Athenahealth has historically specialized primarily in ambulatory and outpatient practices, and Meditech has a large, deployed base specifically in community hospitals. The scope and complexity of the VA health system demand a commercial software system capable of supporting all components of large health system clinical

requirements as well as providing the hosting and implementation support required across the more than 170 medical centers comprising the VA enterprise. Epic Systems can support large health system clinical requirements but cannot meet all of VA's complex and unique requirements due to major customizations described in Section 5 and therefore is not capable of fulfilling VA's requirements without incurring significant time and costs in reworking VA-specific functionality already in place.

Consequently, this comparative analysis conducted by the Government technical experts leads to the determination that Oracle is the only contractor capable of meeting VA requirements for the reasons described in Section 5 of this document: i.e., seamless interoperability, shared system/ shared federal hosting environment, rework and delivery delays, reduced maintenance of legacy systems, and enterprise knowledge base.

9. Other Facts: None.

10. Technical/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.

[redacted]

08/06/2026
Date

Executive Director
Electronic Health Record Modernization Integration Office
Department of Veterans Affairs

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 comparison against the Government's Independent Government Cost Estimate and historical analogous pricing.

[redacted]

08/06/2026
Date

Contracting Officer
Technology Acquisition Center
Office of Procurement Operations
Department of Veterans Affairs

12. Contracting Officer Certification

I certify that this justification is accurate and complete to the best of my knowledge and belief.

[redacted]

08/06/2026
Date

Contracting Officer
Technology Acquisition Center
Office of Procurement Operations
Department of Veterans Affairs

Office of General Counsel (OGC) Review

I have reviewed this document and find it legally sufficient, based on the representations set forth in the documents and, if any, attachments. The Senior Procurement Executive approval is an independently supported decision not wholly reliant on the legal sufficiency determination.

[redacted]

08/06/2026
Date

Attorney
Office of General Counsel
Department of Veterans Affairs

HCA Concurrence

In my role as Head of the Contracting Activity, based on the foregoing justification, I hereby concur with the acquisition of EHRM IDIQ Expanded Scope Modification, pursuant to the authority cited in Section 4 above, subject to availability of funds, and provided that the services herein described have otherwise been authorized for acquisition.

[redacted]

08/06/2026
Date

Head of the Contracting Activity
Technology Acquisition Center
Office of Procurement Operations
Department of Veterans Affairs

Senior Procurement Executive Approval

In my role as Agency Senior Procurement Executive, based on the foregoing justification, I hereby approve the acquisition of the EHRM IDIQ Expanded Scope Modification on an other than full and open competition basis pursuant to the authority cited in Section 4 above, subject to availability of funds, and provided that the services herein described have otherwise been authorized for acquisition.

[redacted]

8/11/26

Date

Executive Director and Senior Procurement Executive
Office of Procurement
Department of Veterans Affairs