

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, New Jersey 07724
2. Description of Action: The proposed action is for a firm-fixed-price (FFP) Delivery Order (DO) issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Government Wide Acquisition Contract (GWAC) to upgrade the existing private branch exchange (PBX) telecommunications systems from brand name Siemens HiPath 4000 PBX, Internet Protocol Distributed Architecture (IPDA) remote shelves, Xpressions Voice mail, and Procenter automatic call distributor (ACD) to the most current versions as well as migrate older Siemens Hicom 300 Model 80 systems to the Siemens HiPath 4000 PBX telecommunications systems. The upgrades will also include installation, technical support, and software assurance for all the upgraded systems. The period of performance (PoP) for this action is 12 months for hardware warranty, software assurance and technical support, inclusive of software and hardware delivery 30 days after delivery order award, and setup and installation 90 days after delivery order award.
3. Description of Supplies and Services: This proposed action is for brand name, Siemens software and hardware upgrades, installation, technical support and software assurance for PBX Siemens brand name telecommunications systems. Specifically, these PBX Siemens brand name telecommunications systems that require the aforementioned upgrades are located at seven Veterans Affairs Medical Centers (VAMCs) and 25 Community Based Outpatient Clinics (CBOCs). The seven VAMCs and 25 CBOCs that require the aforementioned upgrades are critically needed. The aforementioned locations represent the VAMCs and CBOCs within Veterans Integrated Service Network (VISN) 7 that require the upgrades because the locations service the greatest number of Veterans within VISN 7. The seven VAMCs and 25 CBOCs have experienced a surge in the volume of patients. In addition, the continued demand placed on the infrastructure with the growth of key programs, such as Telehealth, has increased the burden on the existing infrastructure. The existing infrastructure cannot support the increased demands without the required upgrades. The aforementioned upgrades would enable these locations to be equipped to handle the increased patient load and increased demands, continue to remain operational, and prevent the network infrastructure from failing. The Siemens software and hardware upgrades will provide improved integration into the existing communications platform, add enhancements to improve overall quality through the delivery of software fixes, provide a new upgrade application tool, a new System Health Check capability to provide diagnostics for in service systems and enhanced system troubleshooting/recovery capabilities for



existing system functionalities. This upgrade is needed to ensure the existing infrastructure remains up to date and operational. The Contractor shall provide installation and manufacturer's technical support for the aforementioned brand name, Siemens HiPath 4000 telecommunications systems. This will include access to remote technical assistance for issues associated with the operation and maintenance of Siemens solutions. The 12-month software assurance will allow for remedying hardware and software defects as well as enhancing and optimizing software; it includes all new fixes, patches, corrections, releases, updates, versions, and upgrades to the software. This will ensure the hardware and software remain operational. The total estimated price of the proposed action consisting of a 12-month base and six 12-month optional tasks is [REDACTED]

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). An exception to fair opportunity is allowed where only one manufacturer is capable of providing the supplies or services required at the level of quality required because the supplies ordered are unique or highly specialized.
5. Reason for Authority Cited: Based on market research, as described in paragraph eight of this document, it was determined that limited competition is viable among authorized resellers for brand name, Siemens software and hardware upgrades, installation, technical support and software assurance. This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. Siemens is the only brand name item which will allow for upgrading the existing Siemens telecommunications infrastructure at the seven identified locations to the latest versions. The brand name, Siemens upgrades at the seven VAMCs and 25 CBOCs is for sustainment in order to keep the locations operational. The locations were chosen based on critical need. The seven VAMCs and the 25 CBOCs have experienced a surge in the volume of patients. In addition, the continued demand placed on the infrastructure with the growth of key programs, such as Telehealth, has increased the burden on the existing infrastructure. The existing infrastructure cannot support the increased demands without the required upgrades. In addition, the telecommunications systems currently implemented within VISN 7 are manufactured by Siemens and utilize the proprietary Siemens Xpressions voicemail/Procenter ACD and centralized Call Detail Recording /traffic monitoring software to function across VISN 7. Any other brand name will not be able to integrate with the currently fielded brand name, Siemens telecommunication systems and infrastructures at the aforementioned locations. Specifically, VISN 7's current telecommunications system communicates through a source code that is based on Siemen's proprietary data. No other PBX telecommunications system can provide seamless and full communication capability without the Siemens' proprietary source code. The absence of such code would result in device inoperability. Without device interoperability, the devices would not perform their intended functions, which would cause voice network delays and issues, leading to work stoppages and an erosion of patient care, jeopardizing VA's overall mission to serve



Veterans. In order to maintain compatibility and reliability, the telecommunications hardware/services must be fully compatible with the existing infrastructure of VISN 7. The Siemens, brand name telecommunication systems items/services are the only products that ensure full interoperability and compatibility with VISN 7's current telecommunication infrastructure and thus are the only commercial products available to meet the Government's requirement. Telecommunication voice and data services are considered mission critical to VAMCs. In the event the Siemens PBX telecommunications systems were to become inoperable, it would pose a significant risk to the VAMCs and the CBOCs rendering them unable to communicate and fully perform their business and mission.

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 this brand name item. 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 marketplace that would enable future actions to be fully competed. The aforementioned locations represent the VAMCs and CBOCs within VISN 7 that require the upgrades because the locations service the greatest number of Veterans within VISN 7. Given no other PBX telecommunications system can provide seamless and full communication capability without the Siemens' proprietary source code, the requirements cannot be modified in order to allow for competition.
8. Market Research: Market research was conducted in third quarter of 2013 by researching other items and services similar to the aforementioned brand name Siemens items and services. NEC and Avaya were the only other brand names with similar capabilities; however, neither could satisfy VA requirement to integrate in the existing Siemens telecommunications infrastructure because NEC and Avaya brand name telecommunications items and services are not able to integrate with the currently fielded brand name, Siemens telecommunication systems and infrastructure. Specifically, the infrastructure of VISN 7's current telecommunication systems communicates through a source code that is based on Siemens' proprietary data. No other PBX can provide seamless and full communication capability without Siemens' proprietary source code. The absence of this proprietary source code would result in device inoperability. Without device interoperability, the devices would not perform their intended functions, which would cause voice network delays and issues, leading to work stoppages and an erosion of patient care jeopardizing VA's overall mission to serve Veterans. Additional market research was conducted in second quarter of 2013 to migrate to another brand name in lieu of Siemens. Migration requires replacing the entire telecommunications infrastructure – replacing only portions is not an option due to lack of interoperability between VISN 7

locations. Based on the market research, the technical experts concluded that Siemens telecommunications hardware/services are the only commercially available hardware/services compatible with VISN 7's existing telecommunication infrastructures. In addition, market research efforts were conducted during the third quarter of Fiscal Year 2013 utilizing the Product Verification Tool via NASA SEWP IV GWAC, to ascertain the extent of limited competition amongst Siemens resellers. Based on these efforts it was determined that there are various authorized resellers and limited competition is anticipated.

9. Other facts: None.