

JUSTIFICATION AND APPROVAL  
FOR 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: This proposed action is for a Firm-Fixed-Price Delivery Order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Government Wide Acquisition Contract (GWAC), for the renewal of brand name Red Hat, Inc. software licenses and maintenance subscriptions to support currently fielded Enterprise Linux operating systems utilized by the Bidirectional Health Information Exchange (BHIE). The proposed action will also acquire additional management entitlements for virtual systems covered by Red Hat brand name software subscriptions. Additionally, there will be two twelve month option periods for the renewal of Red Hat software maintenance to support currently installed Red Hat software.
3. Description of Supplies or Services: The proposed action will provide for the renewal of Red Hat Enterprise Linux Server software licenses and maintenance subscriptions for currently fielded Enterprise Linux operating systems and management tools throughout VA. This requirement also includes management entitlements for virtual systems already covered by Red Hat brand name software subscriptions. The Red Hat software licenses and maintenance subscriptions include a mix of one year software licenses and one year subscriptions. The licenses grant VA the right to operate the vendor's proprietary software. They also allow VA to use Red Hat proprietary software releases and updates. Software "release" or "update" shall mean a revision of software that contains defect corrections, fixes, and minor enhancements or improvements to the software's functionality. Subscriptions include software licenses and software maintenance. Red Hat software maintenance grants VA the rights to receive and use software version upgrades as well as have access to Red Hat technical support. Red Hat version upgrades include major enhancements to the Red hat brand name software's functionality and/or performance, including reliability, efficiency, and scalability. Together, the Enterprise Linux operating system and system management tools enable the BHIE to automatically distribute and install tested and approved Linux software and configuration items, assuring reliable standardized system operations, and effective system security. The aforementioned Red Hat products also allow VA to monitor the performance of the current computers controlled by the Enterprise Linux operating system, helping to ensure reliable operation. This allows VA to satisfy ongoing maintenance, security, and operational requirements for existing development, test, validation, and production systems executing on Linux-controlled computers. The two 12-month option periods are for the annual renewal of Red Hat software maintenance to support currently installed Red Hat software and the additional management entitlements purchased in the base year.

The total estimated price of the proposed action including the base and option periods is

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 acquisition in support of FAR 11.105, Items Peculiar to One Manufacturer. Currently, the Red Hat Enterprise Linux operating system and management solution provide an operating system and management tools that operate on and support the current VA infrastructure that executes on the Enterprise Linux operating system. Currently, only Red Hat brand name software can satisfy all of VA's requirements. VA-specific managing and monitoring applications were developed in support of the currently fielded Red Hat brand name operating system. Implementing an alternate Enterprise Linux operating system would require a redesign, re-implementation, retesting, and re-certification and accreditation of the configuration of the Enterprise Linux operating system. VA has already performed all of these efforts on the Red Hat solution. Executing these steps for an alternate operating system would therefore be duplicative and the associated costs would be prohibitive and are not expected to be recovered through competition. Based on previous experience and discussion with BHIE experts, it is estimated that changing operating systems would involve an additional two to five years to migrate all services, and would also require reworking all associate software licensing arrangements used by this program. These efforts would also introduce the risk of delays and interruption of existing services currently provided to the Government and its customers, including Veterans.

The renewal of the Red Hat brand name software licenses and maintenance subscriptions are essential for providing continuous operations of mission critical systems supporting Veteran data programs across VA and are utilized by multiple other programs such as VistA, HealthE Vet, Spinal Cord Injury and Disorders Outcomes, Pharmacy Reengineering, Nationwide Health Information Network, Enrollment System Redesign, eBenefits Portal, and Health Data Repository/Clinical Data Health Repository/Standards and Technology Services. The management entitlements sought by this procurement are intended to be used along with software subscriptions that the VA already owns. Going with a different vendor would require purchasing not only the management entitlement, but repurchasing the software subscriptions as well, since there is no compatibility among vendors.

6. Efforts to Obtain Competition: Market research was conducted in February and May 2013, details of which are in the market research section of this document. The effort did not yield any additional sources that can meet the Government's requirements. It was determined however that competition is anticipated among authorized resellers for the required brand name software licenses and maintenance subscriptions.

**TAC-13-07744: BHIE Red Hat Enterprise Linux Server with Add-Ons and Support Renewals**

Furthermore, in accordance with FAR 5.301 and 16.505(b)(2), the action will be synopsisized at award on the Federal Business Opportunities (FBO) Page. The justification will be made publically available.

7. Actions to Increase Competition: In order to remove or overcome barriers to competition in future acquisitions for this requirement, the agency will work with the program office to perform additional market research to ascertain if there are changes in the marketplace that would enable future actions to be competed.

8. Market Research: In February 2013, a review of an alternate Windows operating system determined that Red Hat Enterprise Linux (RHEL) is the only solution that can cater directly to the needs of the Government and support the currently fielded Enterprise Linux operating systems and management tools throughout the VA. BHIE code runs using Weblogic and Java which currently runs as a native process on the Red Hat Enterprise Linux platform. The Windows alternative requires a Java Naming and Directory Interface to run Java processes as a service which would require additional maintenance overhead, processing power, and licensing. Additionally, switching to the Windows alternative would introduce all of the program issues previously stated. UNIX systems such as RHEL can be easily streamlined to run only the needed processes whereas Windows operating systems require installation of many Microsoft software products such as Internet Explorer, Silverlight, Media Player, etc. From a security standpoint, Windows operating systems are a more direct target for viruses and hacker attacks which makes the overall operating system a weaker option for a system like BHIE, which contains sensitive Personal Health Information/Personally Identifiable Information. VA Windows domain systems routinely push patches and controls to Windows servers without sufficient notice, testing or follow-ups, which have caused outages and maintenance problems in the past when early BHIE operations ran on Windows. Additionally, the few Windows servers that are still associated with VA projects continue to suffer from the aforementioned problems.

Additional market research was conducted in May 2013 via the NASA SEWP IV GWAC Product Verification and Manufacturer Lookup tool and it was determined that 34 authorized resellers of Red Hat products are current contract holders. Based on this market research, competition is anticipated among authorized resellers for the required brand name software licenses and maintenance subscriptions.

9. Other Facts: Not applicable.