

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, Veterans Health Administration (VHA), Service Area Office (SAO) East, Network Contracting Office (NCO) 2, Syracuse VA Medical Center, Syracuse, NY. This document shall be used as a "Justification for Other Than Full and Open Competition." The applicable purchase request number is 528-14-1-2131-0002.
2. **Nature and/or Description of the Action Being Processed:**
The proposed action is for a new firm-fixed price purchase order which will be awarded to Hewlett Packard Company, 13600 EDS Drive, Herndon, VA 20171-3299 for the following:
 - Trade in of 20 iAM:Servers for OpenVMS ES80 licenses purchased by VA VISN 3
 - Purchase of 20 iAM:Servers for OpenVMS bl870c BASE licenses
 - Purchase of 1 DTCS Integration Elements licenses
 - Purchase of 20 DTCS System Rules for iAM:Servers & Recovery Manager Server Connections licenses

The trade in and upgrade of additional licenses is due to a FY13 change in server technology.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:**
This is a request for the trade in and upgrade of licenses for the DTCS VMS SOLUTION software that is currently utilized by VHA IT Region 4 System Administrators allowing them to manage the two halves of the Brooklyn and Philadelphia Data Processing Centers. Because of upgrades in server hardware from ES80 Alpha Servers to Titanium Blade Servers, Region 4 OI&T is seeking a trade-in of 20 existing licenses "iAM: Servers for OpenVMS ES80" for upgrade to licenses "iAM: Servers for OpenVMS BL870C BASE". The upgrade is a one-time procurement with an estimated cost of [REDACTED] Maintenance for the upgraded licenses will be included in the maintenance costs for the entire set of licenses used by Region 4 OI&T. Delivery is required within 30 days of purchase order award date.
4. **Statutory Authority Permitting Other than Full and Open Competition:**
 - (X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
 - () (2) Unusual and Compelling Urgency per FAR 6.302-2;
 - () (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
 - () (4) International Agreement per FAR 6.302-4
 - () (5) Authorized or Required by Statute FAR 6.302-5;
 - () (6) National Security per FAR 6.302-6;
 - () (7) Public Interest per FAR 6.302-7;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**
 - a. **Only One Responsible Source (FAR 6.302-1):**

Based on extensive market research as described in Section 8 of this document, it was determined that there are no authorized resellers for the DTCS VMS SOLUTION software, which is a highly specialized service. Hewlett Packard (HP) confirmed that this is a sole source procurement with no authorized resellers. HP also confirmed that this item is not available on NASA SEWP or GSA Advantage.

The use of the brand name in the acquisition is essential to the Government's requirements, thereby precluding consideration of a product manufactured by another company. The OpenVMS Operating System (OS) is a proprietary software product available only from HP. No other company offers OpenVMS. OpenVMS is the OS that is used to manage the mission critical Vista systems for Region 4 facilities, and has been so for more than ten (10) years. The DTCS system is an HP proprietary product, not available from any other manufacturer or reseller. DTCS integrates with OpenVMS to offer the highest degree possible of system monitoring and control of the servers supporting the Vista systems. Because of this proprietary integration of DTCS with OpenVMS, no other company can offer a similar product that offers the same capabilities. Selecting a different company's management product would require adopting a different OS. Changing the OS would require replacing the existing server platform at a very prohibitive cost, estimated at more than \$10.5 million. Accordingly, HP is the only firm capable of providing the supplies and services described in Section III above without the Veteran's Health Administration experiencing substantial duplication of cost that could not be expected to be recovered through competition.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

A sources sought synopsis was posted on FBO on September 14, 2013 describing the VA's intent to sole source this requirement. It requested that any source that considered itself capable of providing the service contact the Contracting Officer. No responses were received.

Additionally, the Contracting Officer contacted HP as part of further market research. Hewlett Packard (HP) confirmed that this is a sole source procurement with no authorized resellers. HP also confirmed that this item is not available on NASA SEWP or GSA Advantage.

The Contracting Officer also looked at past procurement history. In 2012, VISN 2 did a similar procurement for the trade in and upgrade of 6 licenses. The RFQ was posted two separate times on NASA SEWP with no offers received. The CO then proceeded with a sole source procurement with HP for this service. A JOFOC was completed and was posted to FBO on November 5, 2012.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

The anticipated cost to the Government will be considered fair and reasonable. Proposed pricing shall be compared with prior purchases of same or similar item. Because 6 licenses were procured in 2012, prices shall be compared to the 2012 price, which has already been determined as fair and reasonable.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

A search of NASA SEWP revealed one similar item on contract – this item is the actual OpenVMS solution, not for individual licenses. HP confirmed via email (in attached market research) that this is a sole source procurement with no authorized resellers. HP also confirmed that this item is not available on NASA SEWP or GSA Advantage.

A search of FBO revealed that we are the only agency that acquired this service. Many DoD Offices had items posted on FBO for DTCS, but this does not refer to the HP DTCS service – instead it refers to Distributed Tactical Communications Systems).

The Contracting Officer also looked at past procurement history. In 2012, VISN 2 did a similar procurement for the trade in and upgrade of 6 licenses. The RFQ was posted two separate times on NASA SEWP with no offers received. The CO then proceeded with a sole source procurement with HP for this service. A JOFOC was completed and was posted to FBO on November 5, 2012.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** None.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Hewlett Packard was the only source that expressed an interest in the Acquisition. A sources sought notice was published on FBO and no other responses were received.
11. **A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:**
This is anticipated to be a one-time procurement. However, in the event that the trade in and upgrade of licenses is required in the future, the Government will conduct market research prior to proceeding with the sole source procurement in order to ascertain if there were any changes in the marketplace that would enable future actions to be competed without restriction.

12. **Requirements Certification:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.




Joseph O. Tirado Jr
Business Systems SLM
OIT Region 4

10/22/2013

Date

13. **Approvals in accordance with FAR 6.304**

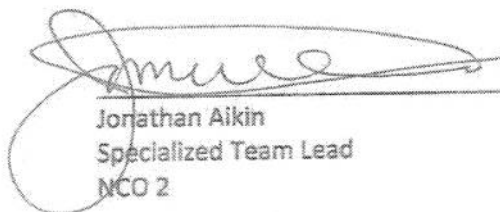
- a. **Contracting Officer's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


Stephanie French
Contracting Officer
NCO 2

10/22/2013

Date

- b. **Team Leader (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.


Jonathan Aikin
Specialized Team Lead
NCO 2

10-23-13

Date