

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
23 Christopher Way
Eatontown, New Jersey 07724

2. Description of Action: The proposed effort is for a 12-month Firm Fixed Price (FFP) 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 procurement of brand name Hitachi hardware maintenance and support for the Virtual VA Program Management Office (PMO). The period of performance will be September 30, 2014 through September 29, 2015 with three 12-month option periods.

3. Description of the Supplies or Services: Virtual VA PMO has a requirement for the renewal of brand name Hitachi hardware maintenance and support for existing Hitachi hardware used by PMO. Brand name Hitachi hardware maintenance and support will provide VA with unified management across all Hitachi storage systems; common management of virtualized storage assets; the ability to manage large storage resource deployments with agentless technologies; and provide end-to-end visibility and correlation of business applications, host servers, virtual machines, and storage devices. The required brand name Hitachi hardware maintenance and support will consist of a one-year warranty with 24X7X365 support, as well as four hour response time replacement for each failed hardware item and initial on-site delivery to each location. Additionally, the required support shall include on-site service coverage, repair parts and phone support. [REDACTED]

4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c)(2) 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: Based on market research, as described in Section 8 of this document, it has been determined that limited competition is available among resellers for the required brand name Hitachi hardware maintenance and support. This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. Only brand name Hitachi hardware maintenance and support can meet all of VA's technical requirements; specifically compatibility and interoperability with VA's existing infrastructure.

This existing Hitachi hardware provides a robust integrated management solution for managing Hitachi Storage Area Networks (SANs). Hitachi SANs are an integral part of the Virtual VA PMO infrastructure and are necessary for the data storage and retrieval that Virtual VA PMO requires. Extensive hardware coding has been developed and

deployed within the Virtual VA system at the Philadelphia Information Technology Center to ensure the seamless integration of Hitachi hardware with the deployed solution. Implementing another brand of hardware other than Hitachi to perform this critical function of the application will require a massive revision and redevelopment of the Virtual VA base code to support new hardware integration. Implementing hardware other than Hitachi will also delay VA Office of Information and Technology's (OI&T) ability to support the mission critical Veterans Benefits Management Assistance Program (VBMAP) for up to approximately six months to implement a different hardware solution. This delay would inhibit VA from quickly executing VBMAP, a critical program that will help to reduce the Veteran claims backlog, which would be detrimental to Veterans.

Only hardware maintenance from Hitachi or an authorized reseller of brand name Hitachi hardware maintenance and support will meet the Government's requirement due to the proprietary nature of the hardware. Only Hitachi authorized resellers will be able to acquire and implement vendor specific maintenance for the existing brand name Hitachi hardware. Additionally as part of possible repairs, brand name Hitachi replacement parts may be required to complete these repairs. Additionally, brand name Hitachi replacement parts are required to ensure compatibility, consistency, reliability, quality control and manageability of the entire Hitachi SAN.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. Limited competition is anticipated for the required brand name hardware maintenance and support. In accordance with FAR 5.301 and 16.505(b)(2), this action will be synopsisized after award on the Federal Business Opportunities Page (FBO). In addition, this Justification for an Exception to Fair Opportunity will be posted with the solicitation on the NASA SEWP website.

7. Actions to Increase Competition: In order to remove 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 market place that would enable future actions to be competed.

8. Market Research: The Government's technical experts conducted market research in March 2014 by performing extensive internet searches to ensure there are no other sources other than Hitachi or its authorized resellers that could provide maintenance and support for existing brand name Hitachi hardware currently being utilized by Virtual VA PMO. No other sources were found that could meet VA's requirements due to the proprietary attributes of the brand name Hitachi hardware solution. Additional market research was conducted by VA OI&T Enterprise Operations technical experts during March 2014 to determine if there were alternative hardware solutions (i.e. Oracle, NetApp, IBM, HP) available to support Virtual VA PMO. If VA was to procure a brand name hardware solution other than Hitachi, all of the SAN hardware would have to be replaced. This alternative is not cost-effective given prior VA investment in the existing Hitachi hardware but also introduces an unacceptable level of risk to data integrity to migrate to and test a new hardware platform. Further, this would delay critical programs, such as VBMAP, that are in place to provide Veteran assistance and reduce

the claims backlog. Based on these reviews, VA's technical experts could not find any other sources that could meet all of VA's technical requirements and only Hitachi or an authorized reseller of Hitachi hardware maintenance and support are the only responsible sources for this brand name requirement. Based on these market research efforts, VA's technical experts have determined that only brand name Hitachi maintenance and support meets all of VA's needs and that only Hitachi or an authorized reseller of Hitachi brand name products and services can provide the required Hitachi hardware maintenance and support.

Finally, in June 2014, utilizing the Manufacturer Lookup Tool on the NASA SEWP IV GWAC website, it was determined that there are 33 authorized resellers of Hitachi products/services that are currently NASA SEWP IV contract holders. Therefore, limited competition is expected for this acquisition.

9. Other Facts: None.