

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 action is for a 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) in support of VA Veterans Health Administration (VHA) Employee Education System (EES). This action is for a Cisco PowerVU High Definition (HD) Motion Pictures Expert Group 4th Generation (MPEG-4) satellite uplink system to replace the existing Standard Definition (SD) Motion Pictures Expert Group 2nd Generation (MPEG-2) satellite system. The Cisco PowerVU HD MPEG-4 satellite uplink system will be delivered within 60 days after award. The contractor shall also provide all services required for the installation and commissioning of the (MPEG-4) satellite uplink system as well as training. The period of performance for services for this effort will be 12 months from date of award.

3. Description of Supplies or Services: VHA EES is in the final phases of converting the VA Knowledge Network (VAKN) satellite uplink facility in St. Louis, Missouri from SD MPEG-2 to HD MPEG-4 video in support of the VAKN. The VAKN satellite signal originated from St. Louis, Missouri and used to deliver educational content and satellite based training to 300,000 VA employees and contractors at facilities throughout the Continental United States, Alaska, Hawaii and Puerto Rico. EES requires an upgrade from its existing Cisco PowerVU MPEG-2 satellite uplink system to Cisco's PowerVU HD MPEG-4 satellite uplink system. There are three (3) operational phases to developing and disseminating educational content; the Acquisition phase (acquiring HD video), Production phase (producing and editing HD video) and the Content Distribution phase (making HD video available to VA staff). EES recently upgraded its Acquisition and Production phases to HD video. This effort will provide for the next and final step in the process which is an upgrade of the Distribution phase (satellite uplink system) of videos to HD and will allow EES to distribute HD video content to end users. Further, this HD MPEG-4 upgrade will significantly improve the video quality and efficiency of the VAKN signal delivered over satellite; therefore, significantly enhancing the end user's learning experience.

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), "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 justification per FAR Subpart 11.105, Items Peculiar to One Manufacturer. Based on market research, as described in paragraph 8 of this document, it is determined that limited competition is available among resellers of Cisco's PowerVU HD MPEG-4 satellite uplink system. Upgrading from Cisco's PowerVU SD MPEG-2 satellite platform to Cisco's PowerVU HD MPEG-4 platform is the only solution to maintain the VAKN 24/7 on air operations. This solution provides for a seamless upgrade/integration solution and this procurement strategy would virtually eliminate service disruptions in the delivery of VAKN satellite network signal and associated video content to users. This solution will initially leverage the 1500 SD Cisco PowerVU satellite receivers already deployed, configured and authorized to receive VAKN's encrypted satellite signal. The migration strategy calls for the existing Cisco SD satellite receivers to be replaced over time with Cisco HD satellite receivers. Since the newly proposed Cisco uplink solution is backwards compatible and can operate in SD or HD mode there will be no disruption in service while EES swaps out the existing SD satellite receivers for HD satellite receivers. The existing encrypted Cisco PowerVU satellite uplink signal is proprietary and generated by a Cisco brand satellite modulation device; the Cisco encrypted satellite signal can only be un-encrypted by an authorized VAKN Cisco PowerVU satellite receiver. The only other solution in lieu of upgrading the existing Cisco PowerVU SD MPEG-2 with Cisco's HD MPEG-4 equipment would be to replace the existing Cisco PowerVU satellite uplink system with another manufacturer's satellite uplink system. Replacing the Cisco PowerVU satellite uplink system with another manufacturer's satellite uplink system would require replacing all 1500 field deployed Cisco satellite receivers at over 600 VA facilities nationwide with 1500 satellite receivers compatible with the alternative uplink equipment manufacturer's satellite signal technology. It is anticipated that a satellite receiver replacement would take 12-16 months to fully implement; having to engage facility point of contacts at over 600 VA downlink locations to set up times and dates for a contractor to replace existing and compatible Cisco PowerVU satellite receivers with satellite receivers compatible with another manufacturer's encrypted satellite uplink signal technology. The VAKN service disruption would significantly impact the delivery of mandatory training to all VA facilities while implementation of the new solution occurs. This would appreciably affect the delivery of educational content to over 300,000 VA employees; content that includes the latest advances in health care technology; delivered to "front line" caregivers tasked with delivering care to our nation's Veterans. Not having access to the latest training information and health guide lines will negatively impact the quality of care offered to our nation's Veterans. Based on the above, no other product other than Cisco's PowerVU HD MPEG-4 upgrade can meet the Government's technical and operational requirements.

6. Efforts to Obtain Competition: Market research was conducted, details of which are discussed in the market research section of this document. Limited competition is anticipated for the required brand name items and associated maintenance. Furthermore, in accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsisized and the Justification for an Exception to Fair Opportunity will be made publically available on the Federal Business Opportunities Page within 14 days after

award of the order. Additionally, in accordance with FAR 16.505(a)(4)(iii)(A) this Justification for an Exception to Fair Opportunity will be provided with the solicitation to all NASA SEWP contract holders by posting it on the NASA SEWP website.

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 so that other solutions can be considered.

8. Market Research: The Government's technical experts conducted market research from November 10-21, 2013 and have continued to validate this research by searching the General Services Administration website and NASA SEWP IV GWAC, internet and other broadcast satellite equipment reseller resources for similar satellite delivery products such as Wegner, Harmonic and Ericsson. The Cisco satellite uplink system and associated Cisco downlink receivers function as a "turn-key" encrypted solution to include the ability to remotely force tune a receiver, remotely power a receiver on and off, and remotely authorize a receiver to receive certain VAKN programming. These capabilities stem from the fact the Cisco uplink technology natively communicates to the Cisco downlink receivers using a proprietary data stream imbedded in the satellite signal. To use another manufacturer's uplink technology such as Wegner, Harmonic and Ericsson with the existing Cisco satellite receivers would require the VA to un-encrypt its VAKN programming and abandon all command and control inherent in an end-to-end "turn-key" solution where the uplink and downlink equipment is from the same manufacturer. Other uplink equipment manufacturers offer similar capability but like the Cisco solution they too require the uplink equipment and downlink equipment be an end-to-end "turn-key" solution, wherein the uplink equipment and the satellite receivers are of the same manufacturer. Abandoning the existing Cisco satellite solution for another manufacturer's solution would require replacement of 1500 field based Cisco satellite receivers at over 600 VA locations for a make and model satellite receiver compatible with a different uplink manufacturers equipment. It is anticipated to effect a transition requiring all 1500 existing Cisco satellite receivers be replaced for another manufacturer's satellite receiver would require the government to re-establish points of contact for all 600 VA facilities to replace all 1500 Cisco satellite receivers for another manufacturer's compatible satellite receivers. The Government has determined the operational downtime and VAKN network service disruptions associated with abandoning the current Cisco solution and swapping out the existing 1500 Cisco satellite receivers for another vendor's uplink technology solution would not be cost effective and would create unacceptable operational disruption in providing the latest healthcare training information to users.

Additional market research was conducted in May 2014 utilizing the NASA SEWP IV GWAC Product Verification, Manufacturer Lookup Tool and Request for Information (RFI) tool. The RFI specified Cisco as a brand name requirement. The RFI yielded two responses from NASA SEWP IV vendors. It was determined that both responses met VA's requirements. In addition, Iron Bow, also a NASA SEWP IV

contract holder, submitted a Cisco solution in response to the RFI, via email, to the Contract Specialist stating its interest in the RFI, however, they were not able to respond to the RFI in a timely manner. Finally, utilizing the Manufacturer Lookup Tool on the NASA SEWP IV GWAC website, it was determined that there are 38 authorized resellers of Cisco products that are current NASA SEWP IV GWAC holders. Based on this market research, the Government's technical experts determined that only Cisco or an authorized reseller of Cisco brand name products and services can provide the required Cisco hardware, software and support services. Therefore, limited competition is expected for this acquisition.

9. Other Facts: None.