

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: This proposed action is for a firm-fixed-price delivery order under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for BMC Software, Inc. (BMC) software licenses and associated software maintenance and support.
3. Description of Supplies or Services: VA, Office of Information and Technology, Service Delivery and Engineering, Enterprise Operations (EO), Data Center Operations has a requirement for BMC software licenses, specifically a quantity of 30,000 BMC Atrium Dependency and Discovery Mapping (ADDM) software licenses; 30,000 BMC ADDM extended data packs; and 40,000 BMC Atrium Discovery for Storage software licenses and associated software maintenance and support. BMC software automatically finds and maintains a complete and up-to-date inventory of data center assets and the relationships between them, ensuring data accuracy and reducing data collection costs. The software licenses will be used in all data centers across the VA Information Technology (IT) enterprise for asset, storage, and application discovery functions. Specifically BMC ADDM software connects applications to their supporting storage infrastructure to provide a single place to view storage inventory and configuration data across heterogeneous storage systems. These additional licenses will support the Regional Data Centers, the Federal Data Center Consolidation Initiative (FDCCI) and the National Data Center IT Asset Management Work Group. Additionally, VA requires the BMC ADDM extended data packs to identify all unsupported data center software and quickly identify the biggest energy consumers. Furthermore, VA requires BMC Atrium Discovery for Storage software licenses to identify all storage assets and their relationship with physical/virtual servers and applications. The software maintenance and support required by VA for the BMC software licenses includes 24x7x365 telephone support and access to software patches and upgrades during the period of performance of this effort. The total estimated price of the proposed action is [REDACTED]. The BMC software shall be delivered within 30 days of receipt and processing of a delivery order. The period of performance for the software maintenance and support shall be 12 months from date of award.
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) 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: Based on market research, as described in section 8 of this document, it was determined that limited competition is viable among authorized resellers of BMC software licenses and associated software maintenance and support. The current EO and Field Operations asset discovery and inventory infrastructure is comprised of only BMC software and hardware which communicates and is configured through BMC's proprietary source code. No other product, other than BMC software, would be able to be fully implemented into the current infrastructure and be interoperable and compatible with the currently fielded software. If another product, other than BMC were used, it would not be able to communicate within this infrastructure. In addition, unified reporting in a single enterprise asset database would not be achievable if inventories should be split across separate software packages with separate data repositories. Similarly, a consolidated dashboard view or reporting mechanism which provides a high-level view of the entire asset base would not be achievable with separate software systems. VA plans to use this software in support of data center consolidation which requires a single unified view of all data center assets for VA and Office of Management and Budget reporting. VA currently owns and utilizes BMC software; the required licenses in this effort are needed to augment the existing software infrastructure. Normalizing data from two different software products and tools would impact day-to-day operations and the ability to complete timely annual Federal Information Security Management Act audits. In addition, BMC owns all proprietary programming language and intellectual property associated with its ADDM software. There is no support or resale of BMC software outside of BMC and its authorized resellers; therefore, only BMC or its authorized resellers can provide the required software licenses and associated software maintenance and support. In order to maintain compatibility and reliability, the software must be fully compatible with the existing, currently fielded BMC software. The BMC software is the only software that can be executed across the VA Wide Area Network (WAN) from a central location on a routine basis, since it does not require the use of agents on the assets.
6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. 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 of the required brand name BMC software licenses and associated software maintenance and support. In accordance with FAR 16.505(a)(4)(iii)(A)(2), this justification will be provided with the solicitation to all appropriate NASA SEWP V GWAC holders. Furthermore, in accordance with FAR 5.301 and FAR 16.505(b)(2)(ii)(D), this action will be synopsized at award on the Federal Business Opportunities website and the justification will be made publicly available within 14 days of award.

7. Actions to Increase Competition: The Government will continue to conduct 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 February 2015 to ascertain if any other software product could meet VA's requirements. Specifically, VA technical experts reviewed similar asset discovery and inventory software [REDACTED]. After reviewing the technical specifications of these products, VA technical experts determined that none of these products could be interoperable and compatible with the current EO and Field Operations infrastructure currently using BMC software. Specifically, neither alternative product could meet all of VA's requirements without extensive custom programming or scripting. The cost associated with custom programming or scripting would not be recovered through competition. These efforts would still not allow the software to work in VA's current infrastructure with the current BMC proprietary architecture. In addition, VA's technical experts also could not find any other sources that could provide the aforementioned software maintenance and support without access to the proprietary technical data for the BMC ADDM, BMC ADDM extended data packs, and BMC Atrium Discovery for Storage software. Unauthorized software providers do not have access to the proprietary data of the software to be able to provide troubleshooting, updates, fixes, patches, and upgrades. Based on market research, VA technical experts concluded that the BMC products are the only commercially available products that will offer full and seamless compatibility with the existing BMC software.

In order to determine if there is a reasonable expectation of obtaining quotes from two or more responsible small business concerns, further market research was conducted in July 2015. The Contract Specialist utilized the NASA SEWP V Provider Lookup tool, and identified numerous GWAC holders that are resellers of BMC products and services that meet the requirements of this acquisition. This acquisition is being procured under an exception to fair opportunity due to limited competition for BMC software licenses and associated software maintenance and support amongst authorized resellers.

9. Other Facts: Through the years, VA has struggled with maintaining physical inventories of IT assets across the enterprise. BMC ADDM software can be executed across the VA WAN from a central location on a routine basis since it does not require the use of agents on the assets. EO management is provided with up to date inventory information without sending staff to perform these tasks. The ability to determine what assets and applications reside in a data center, or computer room, has become a critical issue for the VA FDCCI. BMC ADDM software provides the staff with an accurate picture of data center assets, applications and storage prior to arrival at the site. The IT Asset Inventory workgroup utilizes BMC ADDM software to aggregate, store and update the hierarchy of VA systems, from the

configuration item up to the system level, which provides a clear and accurate picture of VA systems and applications operating on the network without going through multiple documents or systems.