

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition and Logistics
Technology Acquisition Center
260 Industrial Way West
Eatontown, New Jersey 07724
2. Description of the Action: This proposed action is for a Firm-Fixed-Price Delivery Order (DO) issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Government Wide Acquisition Contract (GWAC), for the replacement of Cisco Catalyst network equipment, which consist of Chassis, Line Cards, as well as associated Memory and Converters. Additionally, the Government requires one year of standard Cisco SmartNet warranty for the aforementioned equipment.
3. Description of Supplies or Services: The specific Cisco Catalyst network equipment needed under this proposed action consists of Catalyst 6500 9-slot Chassis, WS-X6748 Line cards, line card memory and support items such as GigaBit Interface Converters. VA utilizes a Cisco network in order to efficiently deliver health care and perform its business and mission. The Cisco network enables VA computer systems and medical devices to effectively communicate with each other. The aforementioned Cisco Catalyst network equipment is used to interconnect various parts of a broad network and conduct network trafficking for virtually all computer and other information technology (IT) equipment components such as Veterans Health Information Systems and Technology Architecture (VistA), Exchange e-mail systems, imaging systems, desktop computers, computer room servers, and lab equipment throughout VA. Currently a number of pieces of the Cisco Catalyst network equipment are becoming obsolete and are in need of replacement. The one-year standard Cisco SmartNet warranty provides enhancement resources during the operational lifetime of the required Cisco Catalyst network equipment. The total estimated price of the proposed action is [REDACTED].
4. Statutory Authority: The statutory authority permitting this exception to fair opportunity is 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 extensive market research, as described in paragraph 8 below, it was determined that limited competition is viable among authorized resellers for this brand name item and service. The aforementioned Cisco Catalyst network equipment is a

direct replacement of equipment that will be configured into the existing Cisco infrastructure in use throughout the VA enterprise. The existing infrastructure is based on a Cisco platform and thus must be fully interoperable and compatible with the current networking equipment. The required Cisco Catalyst network equipment supports a Cisco proprietary interconnection

[REDACTED]

The purchase of non-CISCO Systems equipment would mean that these devices would be unable to exchange routing information with the existing VA enterprise data network, thus making them non-functional in the VA environment. Without the use of a common protocol [REDACTED] the network equipment will not “speak the same language” and will not be able to exchange routing information. Also, each networking vendor utilizes its own Operating System (OS) to operate a given device. Only the required Cisco Catalyst network equipment runs Cisco Internal Operating System (IOS) software, which is required to achieve full interoperability with existing Cisco network infrastructure. Introduction of equipment that does not fully integrate with the Cisco IOS will adversely affect network and security stability due to the inability to accept network-wide readily deployed patches. In addition, this would require significant re-architecting of the existing networking infrastructure as many networking components are currently “stacked” and would need to be segregated, introducing inefficiencies and additional licensing costs. Further, having a multi-vendor environment would require duplicate maintenance and support efforts, to include firmware, anywhere this multi-vendor environment existed. In a multi-vendor environment, VA would also need to duplicate its spare parts inventory as spares for one vendor will not work in the equipment of another. This effectively would double the spare parts costs and add the complication of tracking and updating spare inventories. Acquiring other than Cisco Catalyst network equipment as replacement equipment for existing Cisco components would cause significant delay in implementation and create an additional labor cost impact as most of the equipment would require third-party expertise to implement. For example, all existing Cisco chassis equipment would have to be replaced, and individuals responsible for the existing networking equipment would need to be trained. Training costs for the new equipment are estimated at \$1,620,000.00, which is based on sending at least one network administrator, per facility, for a one-week training class. Replacement of the chassis would result in another cost of approximately \$1,300,000.00, which is based on unit prices of the known competitors that are mentioned in the market research section of this document.

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 item and services. Furthermore, in accordance with FAR 5.3 the contract award will be synopsisized on the Federal Business Opportunities (FBO) Page. In addition, this justification will be made publicly available on the FBO Page.

7. Actions to Increase Competition: Although the Government is limiting competition as a result of specifying a brand name item, there are authorized resellers of these products on the NASA SEWP IV GWAC. Additionally, this Justification and the Request for Quote will be submitted to all four NASA SEWP IV GWAC Groups in order to fully notify all interested parties and obtain price competition. Any proposals received will be evaluated. Finally, 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 identified and considered.
8. Market Research: Market Research was conducted in March 2011 utilizing the NASA SEWP IV GWAC Manufacturer Lookup tool, and it was determined that 21 authorized resellers of the Cisco Catalyst network equipment are current contract holders. In addition, two separate Requests for Information (RFIs) were posted, #104498 for Cisco chassis equipment and #104471 for Cisco line card equipment, to all of the Groups located on the SEWP IV website. A total of ten responses were received for Cisco chassis equipment, and eight responses were received for Cisco line card equipment. Seven companies provided a response on both RFIs, which indicated that several single companies are capable of providing both sets of Cisco Catalyst network equipment. Based on the results of the RFIs, a decision was made to combine these two efforts. Responses were received from one Service-Disabled Veteran-Owned Small Business (SDVOSB), four Small Businesses and six Large Businesses. Further market research was conducted in May 2011 to identify known competitors to Cisco by utilizing the Hoovers online business and product search tool. Known competitors to Cisco are Juniper, Hewlett Packard (HP), Brocade, Nortel, 3-com and Alcatel. Of these, only two carry products that compete in the market involved with these specific items: Juniper and HP. With respect to the Chassis, Juniper and HP both have networking Chassis available. However, neither of these products support existing items which would be placed within these Chassis. Further, these aforementioned Chassis do not and cannot support the proprietary protocols [REDACTED] required for VA networking operations. The linecards, memory and converters will be placed into existing networking equipment, and will be functional in the current VA environment. None of these other brand name items can provide complete interoperability and compatibility, and they cannot be modified to be made compatible with the existing equipment currently fielded.

9. Other Facts: The market research consisted of examining information technology trade publications and internet searches. The only manufacturer identified as offering [REDACTED] is Cisco. Due to this fact and the duplicative costs incurred in supporting two network configurations makes the equipment provided by Cisco Systems the only option for replacement of the current Cisco Catalyst network equipment.