

## JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition and Logistics  
Technology Acquisition Center  
23 Christopher Way  
Eatontown, NJ 07724
2. Description of Action: The proposed action is for a firm fixed-price delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise Wide Procurement (SEWP) V Government Wide Acquisition Contract (GWAC) for the procurement of a Splunk Enterprise Perpetual License and Maintenance Support.
3. Description of Supplies or Services: The proposed action is to procure a Splunk Enterprise Perpetual License for an additional 10 terabytes (TB) per day, and renewal of existing software maintenance and support to include patches, updates, plus the telephone/online/email support. This Splunk licensing will be utilized to store security information within the NSOC locations, the Trusted Internet Connections (TICs) and at the Regions. The VA National Security Operations Center (NSOC) manages, protects, and monitors the cyber and security posture of the VA and currently uses Splunk to perform Security and Compliance analyses along with Infrastructure and Operations Management. Splunk is the engine for machine data generated by Information Technology (IT) systems and physical, virtual, and cloud infrastructures, and provides a means to capture data generated by VA's IT infrastructure. Splunk's log management tool provides the VA NSOC's security and analysis teams with a definitive record of all user transactions, customer behavior, machine behavior, security threats, fraudulent activity and other activity in the raw data form that can be stored indefinitely. VA NSOC use this data to provide rapid incident response, correlation, and in-depth monitoring across all data sources, monitor equipment uptime, and rapidly pinpoint and resolve problems with security and performance. The period of performance shall be a 6-month base period from date of award, two 12-month option periods for continued software maintenance and support, an optional task for additional licensing and an optional task for maintenance and support for the additional licenses. [REDACTED]
4. Statutory Authority: The statutory authority permitting this exception to fair opportunity is Section 41 U.S.C 4106(c)(2) as implemented by 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 Above: Based on market research, as described in Section 8 of this Justification, it was determined that limited competition is

available among resellers for the aforementioned brand name item. VA NSOC currently has a Splunk log management tool in place. Due to the growth and expansion of the VA network, VA NSOC is planning for future capacity by expanding on the current Splunk architecture. Splunk software is a proprietary software product and therefore no other log management tool is capable of integrating with the existing Splunk log management tool. Specifically, if another product is utilized, it will not communicate with the existing infrastructure due to these proprietary constraints. Based on the market research conducted by the Government's technical experts described more fully below, it has been determined that no other brand of software license can meet the integration requirements. In addition, only Splunk can meet VA's functional requirements to include, index, and store log data in a manner that will allow for the retrieval of logs based on keyword searches in less than one minute; support up to 3,000 messages per second, perform a real-time search returning streaming search results from real-time data (all elements required to reduce unnecessary network activity/contribute to network latency). Additionally, Splunk's capability to analyze and log events is not limited by the different formats that varying software products use to generate events (works across, and seamlessly expand with, VA's heterogeneous environment); and alert system administrators to errors and alerts as they occur (via Simple Network Management Protocol, email, Rich Site Summary, and custom script). These functional capabilities allow the Government to effectively monitor the extremely large and expanding VA network consisting of numerous products that provide information in multiple formats thus ensuring VA's network remains protected. Utilization of any other brand name log management tool without these required functional capabilities will not allow VA to effectively manage, protect, and monitor the cyber and security posture of VA, thus putting VA's network at risk. Additionally any other brand log management will require additional supporting infrastructure that includes hardware, correlation, software, and/or additional storage capacity for the log files. Furthermore, Splunk software has already been deployed and tested in VA's environment, and meets all of VA's requirements. The necessary Splunk maintenance support will require access to, and use of, both Splunk proprietary code and its Intellectual Property to ensure providing functional patches and upgrades and continued functionality of the product. Therefore, no other source is capable of providing the required maintenance support inclusive of software patches, updates, as well as telephone, online and email support. Splunk owns the proprietary Intellectual Property rights to the enterprise software. Based on the market research conducted by the Government's technical experts, it has been determined that only Splunk or its authorized resellers have the required access to the source code and other proprietary data of the software to be able to meet the Government's needs.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in Section 8 of this Justification. Limited competition among Splunk resellers is anticipated for the required maintenance and support services. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), the resultant award notice will be synopsized and the justification will be made publicly available within 14 days of award on the Federal Business Opportunities page. Additionally, in accordance with FAR 16.505(a)(4)(iii)(A)(1) this Justification will be submitted to all applicable NASA

SEWP V GWAC holders along with the Request for Quotation in order to fully notify all interested parties.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be fully competed. Specifically, the Government's technical experts will continue to research other brand name software and the potential ability to integrate with the existing log management tool in place and the costs associated with the configuration, integration and implementation.

8. Market Research: The Government's technical experts conducted their initial market research in November, 2015 to January, 2016 to determine if other brand name products existed that could meet VA's requirements. Other brand products evaluated during this time included Trustwave SIEM Operations Addition, Advanced Analytics, Nagios, LogRhythm, and Tenable. Market Research also consisted of researching the Splunk product in regards to open source software and compatibility with third party products. Based on this research, it was determined that no other products can integrate into VA's current Splunk architecture. Additionally, Splunk is the only log management tool capable of meeting all VA's functional requirements previously discussed in Section 5 of this document. Additional Market Research was conducted by issuing a Request for Information (RFI) on the NASA SEWP V GWAC in February 2016. The RFI was issued specifically for brand name Splunk, and yielded five responses from Groups C and D, as follows: SHI International Corporation, (large business), Intelligent Decisions, Inc. (small business), BlueTech Inc. (Historically Underutilized Business Zones), Red River, Inc. (small business), and Sterling Computers Corporation (small business). The Government determined that all five vendors were capable to perform this requirement. On April 28, 2016, additional market research was conducted by utilizing the NASA SEWP V GWAC Provider Lookup Tool which confirmed that there are 47 federal registered partners for Splunk on the NASA SEWP V GWAC, including 12 Service Disabled Veteran-Owned Small Businesses. Based on the analysis of the responses there is reasonable expectation that limited competition among Splunk resellers exists on the NASA SEWP V GWAC for the Splunk Enterprise Perpetual License.

9. Other Facts: None.