

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 delivery order under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC), for cloud hosting environments, specifically the Amazon Web Services (AWS) GovCloud and AWS East/West.
3. Description of the Supplies or Services: As a key component of operation, VA continues to strive toward providing technological advances to aid in Veteran access to care and benefits. Developing and deploying effective information technology (IT) solutions has become a strategic imperative, as well as an avenue to efficiently support the needs of all VA stakeholders. The Digital Service at VA (DSVA) is currently focused on improving Veterans' claims processing; simplifying access, sharing, and use of health information for Veterans and their doctors; and building infrastructure that powers a unified end-to-end experience with VA. To do so, DSVA utilizes modern technology development and management approaches, drawing heavily upon industry best practices such as open source software development, agile development methodologies, and user-centered design.

There are two cloud hosting environments being procured on this proposed action, the first is AWS GovCloud and the second is AWS East/West. VA currently utilizes the AWS East/West cloud environment to host development and production processing for vets.gov. Infrastructure and connectivity to AWS GovCloud has been established to develop, migrate, and deploy systems and applications in support of programs and initiatives such as, but not limited to, vets.gov and Caseflow, as VA sensitive information is and will be integrated into these systems and applications. Both vets.gov and Caseflow are architected, developed, and implemented utilizing AWS' Relational Database Service (RDS) managed PostgreSQL database.

AWS GovCloud and East/West meet VA's requirements through their provision of the AWS RDS. AWS RDS supports the automatic set up, operation, and scalability of the vets.gov and Caseflow PostgreSQL databases. These features are essential as newly developed or migrated legacy applications and systems are integrated into the vets.gov platform and new processes and utilities are developed and integrated into Caseflow. VA requires a cloud hosting environment with a managed/autonomous relational database service that will provide a resizable capacity while managing PostgreSQL database administration tasks such as provisioning, patching, backup, recovery, failure detection, and repair. This VA requirement removes the need to directly install, provision and manage the vets.gov and Caseflow PostgreSQL databases. VA requires managed/autonomous

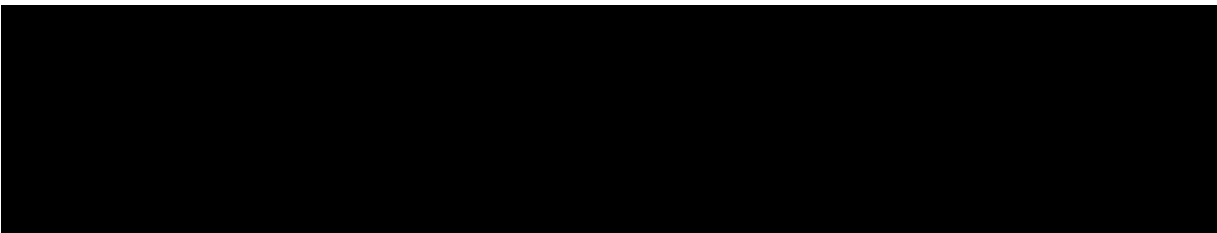
replication to support availability and reliability for vets.gov and Caseflow production workloads. This enables vets.gov and Caseflow to run mission-critical workloads with high availability and built-in automated fail-over from the primary PostgreSQL database to a synchronously replicated secondary PostgreSQL database. Additionally, VA requires managed/autonomous provisioning of Read Replicas to allow vets.gov and Caseflow to scale out beyond the capacity of a single database deployment for read-heavy database workloads.

AWS GovCloud and AWS East/West shall be procured on a per unit basis up to [REDACTED] in the base period and [REDACTED] in the option periods, and includes four, eight and 12 optional tasks for [REDACTED] in each PoP, respectively, for access to additional cloud computing support/services. A per unit basis allows acquisition of pre-defined units of any AWS service offered in East/West or GovCloud. The total estimated price of the proposed delivery order is [REDACTED] (inclusive of all options). The period of performance (PoP) shall be 12 months from the date of award and includes two 12-month option periods, as well as optional tasks in each PoP, to be exercised at the Government's discretion for additional cloud computing support/services. The PoP will not be extended if the optional tasks are exercised.

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 extensive market research, as described in section 8 of this document, it was determined that limited competition is viable among authorized resellers of AWS GovCloud and East/West services. VA launched the public beta version of vets.gov in November 2015. The purpose of vets.gov is to provide a consolidated web portal for all Veteran services to facilitate improved access to care and information. Additionally, VA launched initial Caseflow solution capabilities under the Appeals Modernization program in April 2016. The purpose of Caseflow is to deliver Veteran-centric appeals processing and management capabilities.

VA requires various functional elements in order to meet its cloud hosting environment requirements. Only AWS GovCloud and East/West services can meet all of VA's requirements. AWS is the only cloud service provider that provides a managed/autonomous PostgreSQL database service. Specifically, the AWS GovCloud and East/West services are the only services that provide a RDS that meets all of VA's functional requirements for automatic set up, operation, and scalability while also managing database administration tasks of the vets.gov and Caseflow PostgreSQL databases. No other sources can provide a cloud hosting environment other than AWS with a managed/autonomous RDS that will provide a resizable capacity while managing vets.gov and Caseflow PostgreSQL databases. The vets.gov and the Caseflow solution have been identified as critical priorities under the VA Secretary's "MyVA" and "Break the Backlog" initiatives. Failure to

procure AWS GovCloud and East/West services will result in a lack of support for the automatic set up, operation, and scalability of the vets.gov and Caseflow PostgreSQL databases through the AWS RDS service. Without this cloud-based environment it will greatly impact the critical services and information being provided to Veterans and their beneficiaries.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. 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 Public Sector Resellers for this brand name service. In accordance with FAR 16.505(a)(4)(iii)(A)(2), this justification will be provided with the solicitation to all interested NASA SEWP V GWAC holders. In accordance with FAR 5.301 and FAR 16.505(b)(2)(ii)(D), notice of award of the resulting order will be synopsized and this justification will be made publicly available within 14 days after award on the Federal Business Opportunity website.
  7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if any new sources become capable of providing a managed data service that meets the PostgreSQL database requirements of VA's vets.gov and Caseflow, which would enable future actions to be competed.
  8. Market Research: Market research efforts began in 2015 and have continued into May 2016, by reviewing similar cloud hosting environments. Other similar cloud hosting environments that were reviewed included Microsoft Azure, VMWare vCloud, International Business Machines (IBM) SmartCloud, IBM Softlayer, and Dell Services Federal Government. Based upon reviews of these products, the Government's technical experts determined that none of these products can meet the Government's RDS managed PostgreSQL database requirements as previously discussed. Additionally, VA Subject Matter Experts regularly review industry trade publications and conduct internet research to ascertain if any other brand name cloud services are available in meeting VA's managed database requirements. Based upon all of these market research efforts, the Government's technical experts have determined that only AWS East/West and GovCloud can meet all of VA's needs.
- 

9. Other Facts: In May 2016, the Technology Acquisition Center, along with DSVA, verified with AWS and Four Points Technology that only Authorized Public Sector Resellers have the ability to resell AWS East/West and GovCloud accounts to the Federal Government. AWS provided access to their current partner directory

and identified [REDACTED] Authorized Public Sector Resellers who are NASA SEWP V prime contract holders.