

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 task 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 Dell server hardware maintenance.
3. Description of Supplies or Services: VA, Office of Information and Technology, Service Delivery and Engineering, Enterprise Operations (EO) has a requirement for Dell hardware maintenance coverage for 555 Dell servers. VA requires maintenance coverage to support the existing infrastructure protocols and functionality for continued operational availability. VA requires hardware upgrades and updates to include major releases, point releases, service releases of applicable hardware on a quarterly basis, or within 48 hours in cases where a high risk vulnerability fix becomes available. The maintenance support is required to provide VA support for any Dell server that becomes defective and consists of repairing or replacing systems equipment components to restore full operation and accessibility to the original redundant component configuration. The Dell servers are located at the Austin Information Technology Center, Philadelphia Information Technology Center, Hines Information Technology Center, Martinsburg Data Center, Quantico Information Technology Center, and Culpeper National Cemetery. The hardware maintenance shall provide coverage 24 hours a day x 7 days a week x 365 days per year, an initial response to all VA requests for maintenance within one hour of the initial notification from VA, and shall provide for responses to all requests for on-site maintenance service by sending a qualified technician/engineer to the affected site within four hours of the initial notification from VA. The hardware maintenance is necessary for EO to be able to operate successfully and to ensure the hardware remains operational. The period of performance is for a 12 month base with one 12-month option period.
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: Based on extensive market research, as described in section 8 of this document, it was determined that limited competition is viable among authorized resellers for the Dell hardware maintenance. The Dell servers are used at the AITC to support the VA payment system and

National Cemetery Administration (NCA) operations. Dell servers are proprietary hardware products; therefore, no other hardware maintenance provider has the proprietary code to perform the required support services or to provide the hardware upgrades and updates to include major releases, point releases, service releases that are necessary to ensure the hardware remains operational. Based on the market research conducted by the Government's technical experts it has been determined that only Dell or an authorized reseller can provide the necessary hardware maintenance because of the proprietary source code required to develop and implement hardware updates. Specifically, any source other than Dell or an authorized reseller would need this code to properly configure the hardware and ensure it is functional. In addition, access to the source code is required to ensure updates are properly patched, uploaded and configured to meet VA's needs. Access to the proprietary source code is the only way to ensure the currently fielded hardware is fully operational. EO provides multiple VA offices with a complete suite of secure information technology data center services including service planning, architecture, security services, service management, hosting, monitoring, business continuity, recovery, application management, and managed hosting services. Failure to maintain the Dell servers will prohibit EO and NCA from operating successfully which would adversely affect the VA payment system and prevent EO from providing necessary operations support, payments to vendors and Veterans. Overall, failure to maintain the servers will result in massive operational inefficiencies that would adversely impact EO and NCA mission critical support.

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 resellers for this brand name hardware maintenance. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsisized and the justification will be made publicly available on the Federal Business Opportunities Page within 14 days of award of the order.
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.
8. Market Research: The Government technical experts conducted market research in April 2016 to ascertain the ability of any other source besides Dell or an authorized reseller, to provide the aforementioned hardware maintenance. The Government's technical experts reviewed similar hardware maintenance packages from Dell competitors, including MAC, Hewlett Packard, and International Business Machines, to ascertain if these items could meet VA's requirements. Specifically, the Government's technical experts conducted web-based research on web sites. As a result of the market research, the technical experts confirmed that the source code required to issue the required Dell hardware updates is proprietary. No other

firm has the capability of developing and issuing hardware maintenance coverage for Dell hardware necessary to support existing EO requirements. Based on the above, only Dell hardware maintenance coverage meets all of the Government's requirements. Additional market research was conducted by Government representatives in August 2016 utilizing the NASA SEWP V Provider Lookup Tool which resulted in the identification of multiple authorized resellers of the required brand name hardware maintenance. This market research further indicated that the required hardware maintenance is offered by 24 Service Disabled Veteran Owned Small Business contract holders. As a result, there is reasonable expectation that limited competition exists on the NASA SEWP V GWAC for the brand name Dell Server hardware maintenance support.

9. Other Facts: None.