

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, NJ 07724
2. Description of Action: This proposed action is for a firm-fixed price task order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for Red Hat Enterprise Linux (RHEL) software and maintenance.
3. Description of Supplies or Services: VA, Office of Information and Technology, Service Delivery and Engineering, Enterprise Operations (EO) has a requirement for 81 brand name RHEL software license and maintenance for Austin Information Technology Center (AITC) z13 Service Center upgrade. Currently the AITC z13 Service Center utilizes RHEL software to run virtual servers under the z/VM operating system in support of the Service Oriented Architecture Research and Development (SOARD) Maximo (MAX) system which provides Veterans Health Administration (VHA) modernized and integrated Enterprise Asset Management (EAM) capability including the ability to perform requisitioning, work order management, inventory management, facilities management, equipment management, and related workforce management. MAX leverages virtualized Linux servers, running under IBM's Z operating system on the IBM mainframe at the VA's Austin Information Technology Center (AITC) and enhances VHA's ability to serve Veterans by creating and maintaining an effective, integrated, Administration-wide management facility to make data-driven decisions, allocate resources, and manage results. The AITC z13 Service Center upgrade will provide the additional capacity needed to create additional virtual servers and to support growth of existing virtual servers. The current system is at capacity and cannot support the expected growth for the immediate future. Maintenance support will allow for remedying software defects as well as enhancing and optimizing software. The maintenance support shall include all new fixes, patches, corrections, releases, updates, versions and upgrades to the software. The maintenance support shall include 24x7 phone and web support. The RHEL software shall be delivered 30 days after receipt of order. The period of performance for maintenance shall be 12 months from date of acceptance.
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) Paragraph 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 available among authorized resellers for the brand name RHEL software and maintenance. RHEL is the only brand name software that meets VA's requirements for creating virtual servers which include the need to consolidate hundreds of servers on to one server, conserve computer room space, electricity, cables, and complexity and help prevent server sprawl. The current AITC z13 Service Center environment is based solely on existing RHEL software and VA requires software compatible and interoperable with the existing functionality for continued operational availability. Due to the proprietary nature of the software code in the existing AITC z13 Service Center, which is comprised of RHEL virtual servers, only RHEL software will meet VA's requirements due to the need to interoperate with the existing infrastructure. Only Red Hat or an authorized reseller can provide the necessary software licenses. No other manufactures' licenses are compatible, functional, or interoperable with the existing RHEL software and virtual server infrastructure due to RHEL proprietary database structures, protocols and software application programming interfaces. Replacing the existing consolidated RHEL virtual servers running on the z13 platform would result in several millions of dollars in duplicative costs due to additional computer room floor space, electricity, cables, man power, Linux administration, retraining, reworking of automated processes like server backups, and time to rebuild and relocate to a different architecture. Without the additional brand name software the AITC z13 Service Center will not be able to upgrade and provide the additional capacity needed to create additional virtual servers and to support growth of existing virtual servers. Additionally, software maintenance is required to ensure the RHEL software in operation for the AITC z13 Service Center remains up-to-date and operational. Only Red Hat or an authorized reseller can provide the maintenance due to the proprietary source code required to develop and implement software upgrades and updates. Should additional RHEL software and corresponding maintenance not be acquired, there is an immediate risk to the AITC z13 Service Center environment and the MAX system. MAX is an essential support system and there would be numerous adverse effects on VHA operations related to work and asset management if its operation was disrupted including disruptions in the issuance of IT equipment, the timely repair of facility life-safety items, the sanitization of patient rooms and surgical facilities, and the maintenance of patient facing clinical equipment. Without the additional RHEL software and maintenance VA would experience production issues which would adversely affect patient safety. In addition a lack of maintenance support would leave VA vulnerable to viruses, hacking and outages due to critical patches not being applied monthly. Without the aforementioned proprietary source code, no source other than Red Hat and its authorized resellers can meet VA's needs.
6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. Limited competition is anticipated for the required maintenance support. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsized and the justification will be

made publicly available on the Federal Business Opportunities Page within 14 days of award. Additionally, in accordance with FAR 16.505(a)(4)(iii)(A) 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: 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 in a timely manner so that alternate solutions can be considered should they become available.
8. Market Research: Brand name RHEL software and maintenance are commercially available off-the-shelf virtual server packages currently in use at VA. When conducting market research in October of 2016, the Government's technical experts reviewed similar platforms to ascertain if these items could meet EO's requirements. Specifically, the Government's technical experts reviewed similar companies/organizations, such as VMware, Sun, Oracle, and Kernal Virtual Machine (KVM) in the virtual server area. In addition, the Government's technical experts researched Forrester Research, Gartner Research, and conducted research on virtual server websites and web-based forums related to virtual server. All of the platforms researched (VMware, Sun, Oracle, and KVM plus other research firm cited products) were unable to meet the Government requirement for interoperability with the current RHEL infrastructure. No other software is compatible or interoperable with the existing RHEL infrastructure due to RHEL proprietary database structures, protocols and software application programming interfaces. This lack of interoperability, such as the ability of a different vendor's agent to communicate with another vendor's source code, is standard throughout the performance software industry. As a result of the market research, the Governments technical experts confirmed that only brand name Red Hat software licenses are interoperable with the existing infrastructure. Additional market research was conducted in December 2016, wherein the Government's technical experts utilized the NASA SEWP V GWAC Provider Lookup tool and identified several sources capable of meeting VA's needs. Specifically, sixteen verified service disabled Veteran-owned small business resellers were identified. Therefore, VA anticipates limited competition for this action.
9. Other Facts: None.