

JUSTIFICATION AND APPROVAL
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
260 Industrial Way West
Eatontown, New Jersey 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 hardware maintenance in support of the HealthyVet VM Server Farm.

3. Description of the Supplies or Services: The VA Office of Information and Technology , Enterprise Systems Engineering (ESE), Enterprise Health Solutions program office has a requirement for brand name maintenance support for International Business Machine Corporation (IBM), Dell Inc. (Dell), and Hewlett-Packard Corporation (HP) hardware located at the Martinsburg, West Virginia (WV) and Hines, Illinois (IL) data centers. The hardware hosts virtual machines in support of the following applications: Exchange Primavera, Congressional Reporting, Patient Advocacy Tracking System, Clinical Information Support System, Veterans Personal Finance System, Inquiry Routing and Information System, Emergency Department Integration Software, Spinal Cord Injury Disorders Outcomes, Oracle Databases, Microsoft Software Quality Assurance Server databases, Oracle WebLogic Cache, EMC/NetApp storage area networks, and Network Attached Storage Management. The hardware maintenance required by this procurement consists of all support, parts, and labor necessary to keep operational one IBM SystemX3850 X5 server, two Dell Poweredge R910 servers, two Dell Poweredge R710 servers, one Dell Poweredge R410, and 28 HP Proliant DL380 G6 servers. The period of performance for this delivery order will be 12 months from date of award with two 12-month option periods, if exercised. [REDACTED]

4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c) 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 paragraph 8 of this document, it was determined that limited competition is viable among authorized resellers for the brand name HP, IBM and Dell maintenance. The current ESE Enterprise Health Solutions' infrastructure is based on existing HP, Dell, and IBM hardware. The VA requires maintenance support compatible with the existing infrastructure protocols to ensure continued operational availability. Only HP, Dell, IBM or its authorized resellers can provide the necessary maintenance

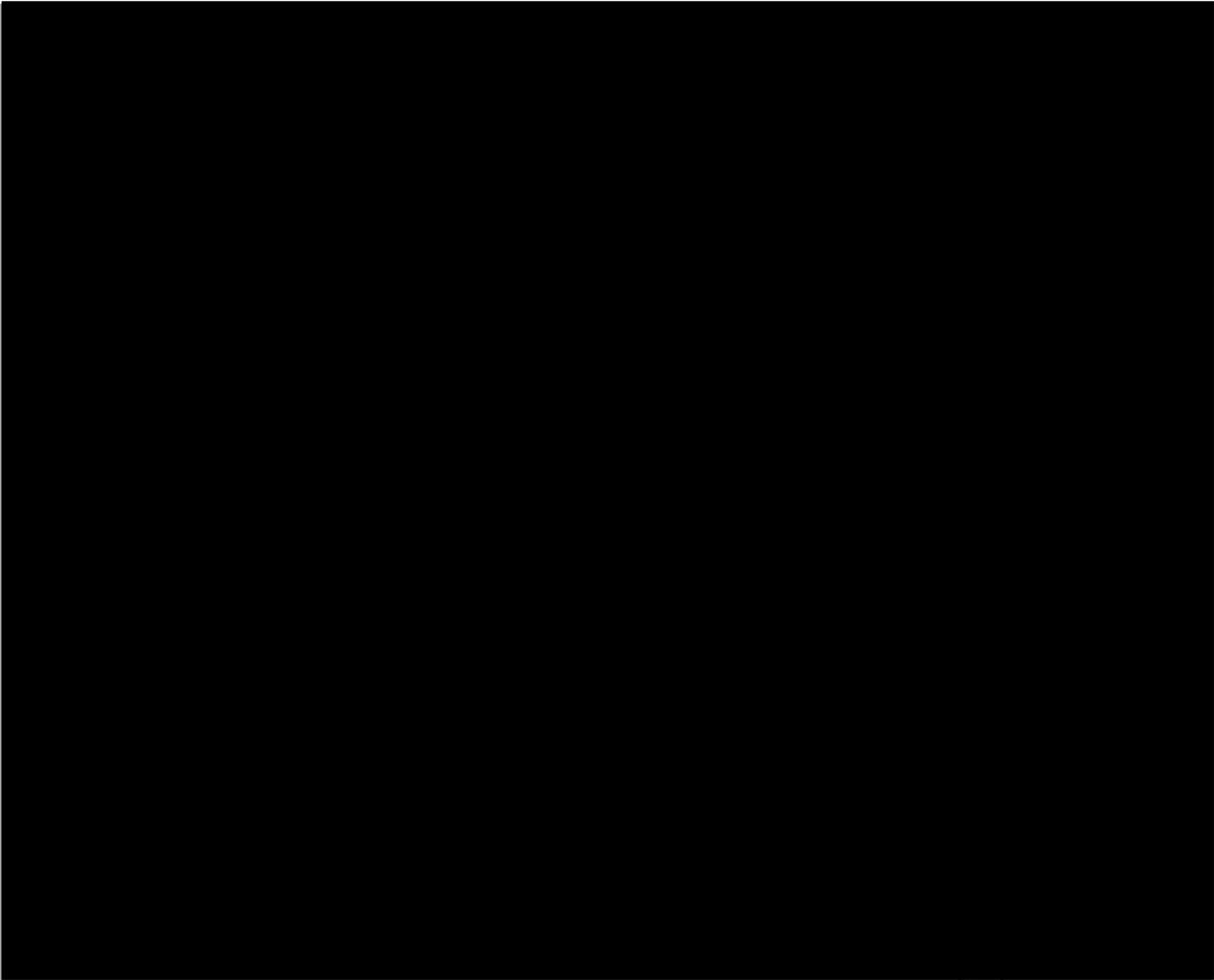
due to the proprietary nature of the equipment. ESE Enterprise Health Solutions' equipment hosts critical and emergency patient medical care applications, patient funding services, protects against patient data loss, and provides disaster recovery options. If the aforementioned maintenance is not obtained, it will negatively impact Veterans' care.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. This effort did not yield any additional sources that can meet the Government's requirements. However, it was determined that limited competition is viable among resellers for these brand name items. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), the award will be synopsisized and the justification will be posted on the Federal Business Opportunities website within 14 days of award. Additionally, the justification will be provided with the Request for Quotation.

7. Actions to Increase Competition: The Government will continue to conduct market research by continually reviewing competing software products to learn if there have been any changes in the marketplace that would enable future actions to be competed.

8. Market Research: In February 2017, Government technical experts reviewed maintenance offered by other manufacturers to ascertain if maintenance offered by these manufacturers could meet VA's requirements. Specifically, the Government's technical experts conducted web-based research for maintenance offered by companies such as Lenovo and SuperMicro. As a result of the market research, the technical experts conclusively determined that any maintenance offered by Lenovo and SuperMicro cannot meet VA's requirements for maintenance on the ESE Enterprise Health Solutions infrastructure for the proprietary reasons explained above. Only HP, IBM, and Dell can maintain its respective equipment and meet VA's requirements for this procurement. In June 2017, additional market research was conducted utilizing the NASA SEWP Provider Lookup Tool and multiple HP, IBM, and Dell resellers were identified, including 21 prospective Group B(2) service-disabled Veteran-owned small businesses that are resellers for all three manufacturers. The requirement discussed herein has been found to be within scope of NASA SEWP in a separate determination. As a result of the aforementioned market research, VA intends to issue Request for Quotation number VA118-17-Q-2289 on NASA SEWP.

9. Other Facts: None



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