

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: The proposed action is for a firm-fixed-price delivery order, 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 one (1) Splunk User Behavior Analytics (UBA) perpetual enterprise license, Splunk UBA content subscription, UBA enterprise maintenance support and Splunk Professional Services Deployment Test and Evaluation (T&E).

3. Description of the Supplies or Services: VA Office of Information & Technology (OI&T) National Security Operations Center (NSOC) is implementing an operational Predictive Analytics (PA) solution, to assist VA in understanding its current environment and trust that information, gain insight, predicts threats, and make data driven decisions on how to counter these threats, using Splunk UBA software. Splunk UBA software uses 'built in' machine learning, behavior baselines, peer group analytics and advanced correlations to identify threats and provide users with risk ratings and supporting evidence. The PA solution has been designed to integrate in a seamless fashion with the existing Splunk Enterprise Security (ES) solution, which includes the Security Information and Event Management (SIEM) system. The proposed solution minimizes disruption to existing operations of the Splunk ES SIEM, optimizes the use of already deployed systems and technologies, and minimizes deployment risk and timeline. This acquisition is to purchase Splunk UBA software and associated services. Specifically, VA requires Splunk UBA content subscription includes software upgrades, updates, security patches, and bug fixes. VA also requires UBA enterprise maintenance support includes installation and help desk support. In addition VA requires, 20 days of Splunk Professional Services Deployment T&E which includes contractors coming in to ensure installation is fully operational and to provide technical assistance. The Contractor shall provide website access and information for VA to download the Splunk UBA software and content subscription. The Contractor shall also provide contact information including a phone number and e-mail address so that VA can notify the Contractor when VA needs product support. The Contractor shall provide software documentation with the software license including any product user and administrator manuals. The Contractor shall not access the VA network during software installation, as VA will install the Contractor provided software including any software upgrades, updates, security patches, and bug fixes. The period of performance is 12 months with two (2) 12 month options to extend the UBA content subscription and associated services. The total estimated value of the proposed action is [REDACTED], inclusive of options.

4. Statutory Authority: The statutory authority permitting 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 document, it was determined that limited competition is available among authorized resellers for this requirement. VA originally contracted for the PA solution to seamlessly integrate with the NSOC Splunk ES SIEM. The current PA solution uses Splunk UBA appliances and their Machine Learning Toolkit (MLT) in a dedicated PA search head to identify threats and anomalies. UBA uses ‘built in’ machine learning, behavior baselines, peer group analytics and advanced correlations to identify threats and provides users with risk ratings and supporting evidence. Use of any other predictive technologies would impact existing VA systems and networks. The Splunk software is the only brand name software that is interoperable and compatible with the existing infrastructure specifically, the 7 (seven) existing regional Splunk systems already in place, and 2 (two) VA NSOC Enterprise Splunk systems that service the entire VA Network. No other brand can provide the interoperability with existing security systems, without disrupting the implementation and operations of the PA solution. Use of any other brand name software would require this existing infrastructure to be replaced which would result in extensive duplicate cost and delivery delays that would not be recovered through competition. Additionally, Splunk Enterprise Support is required to ensure the software remains up-to-date. No other manufacturer can provide the software maintenance due its inability to access Splunk’s proprietary source code. Utilizing software, other than Splunk, would require a complete code rewrite of Splunk protocols already in place, those of which would not be interoperable with the current Splunk PA solutions which are currently operating at VA. The software is the proprietary property of Splunk, so they have exclusive rights to distribute software and its ability to utilize this source code for any purpose (e.g. updates, maintenance, or bug fixes). Without the aforementioned proprietary source code, no source other than Splunk can meet VA’s needs. Access to this code is also needed to provide all the services discussed in section three of this justification. This code is required to create, implement, and push all updates to the Splunk software and is also required to ensure all the services provided are properly configured.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. In accordance with FAR 5.301 and 16.505(b)(2), this action will be synopsisized within 14 days of award on the Federal Business Opportunities (FBO) page and the justification will be made publically available. In addition, in accordance with 16.505(a)(4)(iii)(A), this Justification for an Exception to Fair Opportunity will be posted on the NASA SEWP V website with the solicitation.

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 so that other solutions can be considered.

8. Market Research: On June 25, 2017, the Government technical experts conducted market research to determine if there are viable sources other than Splunk who could

provide the software licenses and services needed for this requirement. Competitors such as Oracle, International Business Machines, Palantir, Cray, Sqrrl, and mapR were analyzed. Although other sources possess similar capabilities to provide the required software licenses and maintenance, only Splunk, or an authorized reseller has the proprietary source code necessary to provide the required licenses and perform the required services that are necessary to ensure interoperability with current VA Splunk systems; therefore these other vendors are not able to provide the licenses or perform the services on the proprietary software. Additional market research was conducted on August 4, 2017 by utilizing the NASA SEWP V GWAC Provider Look-up Tool to determine whether software and maintenance for brand name Splunk software are available from resellers that hold NASA SEWP V contracts. The RFI resulted in responses from two (2) Service Disabled Veteran Owned Small Businesses (SDVOSBs), ThunderCat Technology and TechAnax. It was determined that these two (2) SDVOSBs are able to provide the required software licenses and support. On August 10, 2017, additional market research was conducted by utilizing the NASA SEWP V GWAC Provider Look-up Tool which confirmed that there are 15 federal registered partners for Splunk on the NASA SEWP V GWAC, including three (3) verified Vendor Information Pages SDVOSBs. Based on the analysis of the responses, there is a reasonable expectation that limited competition exists on the NASA SEWP V GWAC for the required Splunk software. Finally, the Government's technical experts contacted Splunk on August 11, 2017, to inquire whether its source code was for sale. Splunk confirmed that the source code is proprietary and not for sale

9. Other Facts: None.

Approval

In my role as Advocate for Competition, based on the foregoing justification, I hereby approve the acquisition of one (1) Splunk UBA perpetual enterprise license, Splunk UBA content subscription, UBA enterprise maintenance support and Splunk Professional Services Deployment T&E, as an exception to fair opportunity, pursuant to the authority cited in paragraph 4 above, subject to availability of funds, and provided that the property and services herein described above have otherwise been authorized for acquisition.

Date: 8-28-17

Signature:



Ronald J. Bakay
Advocate for Competition
Technology Acquisition Center
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