

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 to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government-wide Acquisition Contract (GWAC) for the purchase of brand name International Business Machines (IBM) DataPower Gateway Virtual licenses and support services.
3. Description of the Supplies or Services: VA Identity and Access Management (IAM) program has a requirement for a virtual gateway solution. The IAM office provides identification and authentication services for applications across the enterprise. The software applications that IAM services are currently physically hosted at the Austin Information Technology Center (AIRC), and at a contractor's data storage facility (Terremark). The IAM program office is transitioning Veterans Affairs Authentication Federation Infrastructure (VAAFI) systems onto the VA Long-Term Cloud Solution with Microsoft Azure. VAAFI allows Veterans and businesses to select and use government and non-government-issued electronic credentials to conduct transactions on various websites in VA and with other participating government agencies. VAAFI provides a single identification credential and sign-on process that Veterans can use for a number of other Federal information systems across participating agencies. In support of VA's transformation away from physical data centers, towards virtual data centers (Enterprise Cloud), IAM has a requirement to provide the same level of identification and authentication services for applications that migrate to VA's virtual data centers (Enterprise Cloud).

The proposed acquisition is for a virtual gateway solution that consists of 1120 IBM DataPower Gateway Virtual Edition Processor Value Unit licenses, 1960 IBM DataPower Gateway Virtual Edition for Non Production Environments Processor Value Unit licenses, 1120 Integration Module for IBM DataPower Gateway Virtual Edition Processor Value Unit licenses, associated operational support, and software maintenance. The operational support services consist of a dedicated support desk available 24x7 for troubleshooting support services and access to software documentation. The software maintenance consists of access to IBM software updates and upgrades.

The period of performance consists of a 12-month base period with two 12-month option periods. This proposed procurement contains four optional tasks: 1) 1120 Application Optimization Module for IBM DataPower Gateway Virtual Edition Processor Value Unit licenses, 2) one IBM DataPower Operations Dashboard Gateways Application instance licenses, 3) one Technical Support Services, and 4) four DataPower Enablement Education Bundles. The Technical Support Services are

required to assist with the implementation of the DataPower Solution and the Solution enablement education consists of IBM approved instruction to help ensure that this solution is understood by users and stakeholders. These optional tasks are required to facilitate VAAFI's transition onto the VA Long-Term Cloud Solution while maintaining interoperability across VA's existing IBM infrastructure. All three of these optional tasks can be exercised during contract performance. [REDACTED]

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 paragraph 8 of this document, it was determined that limited competition is viable among authorized resellers of IBM products and services. VA is required to maintain full interoperability of VAAFI as it is moved onto the VA Long-Term Cloud Solution. The current VAAFI system has been developed using the IBM DataPower physical devices as the foundational component. There are various IBM DataPower physical devices currently deployed that are not being procured under this J&A, some of which include IBM WebSphere Deployment Manager, IBM WebSphere Application Server Network Deployment, IBM Security Access Manager for Web (ISAM), and IBM DB2 Universal Enterprise Server Edition for our Common Audit and Reporting Data (CAR) Data Store. Hence, only an IBM virtual gateway solution will ensure system interoperability within the current security infrastructure of the VAAFI system. The current VAAFI system is comprised of various IBM brand name items that are not being renewed under this J&A and would have to be replaced in order to work with any other brand name. Replacement of these IBM brand name items and devices would result in extensive duplicated cost and delivery delays that would not be recovered through competition. No other brand name software will be able to communicate with the existing IBM items currently comprising the VAAFI system due to the proprietary constraints within the system.

In addition, the current VAAFI system utilizes an IBM Tivoli Access Manager. The IBM Tivoli Access Manager is an authentication and authorization solution which contains a database of users which the virtual IBM DataPower needs to access to facilitate its service-oriented architecture and Extensible Markup Language (XML) capabilities. Interoperability with the Tivoli Access Manager appliance is required for the effective and efficient functioning of the IBM virtual gateway solution. Another company's virtual gateway solution would not be interoperable with IBM Tivoli Access Manager. IBM's Tivoli Access Manager was specifically designed to be interoperable with IBM's virtual gateway solution.

Without a fully operational and interoperable VAAFI system, serious disruption will occur in the ability of a large user population to efficiently access and utilize core VA services

and other Federal information systems. Specifically, the negative impacts of this degradation in service include a reduction or suspension of critical VA applications such as e-Health, My HealtheVet (MHV), and Integrated Electronic Health Record. Without a fully operational and interoperable VAAFI system, e-Health and MHV will cease to function properly; preventing Veterans timely access to their health information and benefits.

To introduce new software into the VAAFI system would require a complete replacement of software across the entire VAAFI system and over sixty VA partner applications.

In addition only IBM or an authorized reseller can provide the associated services because access to the proprietary source code is 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. This effort did not yield any other products that can meet the Government's requirements. It was determined, however, that limited competition is viable among authorized resellers for the required software. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action and the justification will be made publicly available on the Federal Business Opportunities Page within 14 days after award. In addition, this justification will be posted with the Request for Quotation to notify all SEWP vendors.

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: Market research was conducted in August 2017 by Government technical experts to ascertain if there are other products other than those offered by IBM that would satisfy VA's requirements. Specifically, the features and functionality were examined for the Vordel XML Gateway and the Cisco Application Control Engine (ACE) XML Gateway. The Vordel XML Gateway and the Cisco ACE XML Gateway do not meet VA's requirements to provide interoperability, compatibility, and integration with the existing IBM infrastructure for the reasons explained above. As a result of the market research, the technical experts conclusively determined that only IBM or IBM authorized resellers can meet VA's requirements.

A Request for Information (RFI) was also issued on August 22, 2017 to all vendors on the NASA SEWP V GWAC website in order to identify resellers of the required IBM software and support. The Request yielded three responses from authorized vendors that can provide the required IBM software and support: Force 3, LLC (Other Than Small Business); Four, Inc. (Woman-Owned Small Business (WOSB)); and Four Points Technology (Service-Disabled Veteran-Owned Small Business (SDVOSB)) In September 2017, additional market research was conducted utilizing the NASA SEWP Provider Lookup Tool and multiple IBM resellers were identified, including 21 SDVOSB

resellers; including 4 SDVOSB authorized resellers. 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-2570 via fair opportunity to SDVOSBs on the NASA SEWP V GWAC.

9. Other Facts: N/A





