

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 (FFP) delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for Hewlett Packard Enterprise (HPE) blade servers, associated hardware and software for use on the servers, hardware and software support services, implementation, installation, configuration, integration and testing services as a partial refresh to the existing infrastructure at the Bay Pines, FL Test Center.

3. Description of the Supplies or Services: The proposed action is to provide two brand name HPE blade servers and associated software which runs on the servers, as well as support services in order for the Enterprise Testing Service (ETS) Bay Pines Test Center to update and replace aging hardware. This procurement includes the required blade server hardware and software components that will be added to an existing infrastructure to replace aging hardware within the Bay Pines Test Center and is critical to ensuring that ETS has the continued capability to perform its mission to provide end-to-end Information Technology (IT) quality and testing through the provision of legacy Software Quality Assurance (SQA) software testing environments and Test & Evaluation (T&E) services for VA software development projects. VA is not refreshing the entire HPE server infrastructure, it is only updating the servers that are outdated and no longer meet VA' needs. Further, VA requires hardware and software support to include 24 hours per day, seven days per week support, four-hour onsite response for hardware, and software updates and patches. All items shall be delivered within 30 days of award. Implementation, installation, configuration, integration and testing services shall be completed within 60 days of receipt of all items. The period of performance for the hardware and software support shall be three years from the Government acceptance of all items. The total estimated cost for this effort is \$
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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 justification, it was determined that limited competition is available among authorized HPE resellers for the aforementioned hardware, associated software and support services. Existing architecture is comprised of HPE products. ETS currently utilizes HPE blade servers in its facility for test

databases and environments and to run its testing operations. Due to technical compatibility requirements and proprietary constraints of HPE blades, storage, and software, expanding the computing and storage resources to support this environment requires the same hardware and software as what is currently in use. Only HPE brand name servers are compatible and interoperable with the existing infrastructure deployed within ETS. The existing HPE hardware uses HPE C series Blade Enclosures and Proliant BL series servers. Only HPE blade servers are compatible and supported in HPE blade enclosures. No other vendors' server blades can be installed due to physical and engineering differences in design, support and size. The existing storage environment consists of proprietary HPE 3Par storage arrays and only 3Par storage can be augmented to this environment. The systems to be acquired will augment and co-exist with existing HPE blade enclosures and servers, 3Par storage, StoreOnce backup devices and Data Protector software. These systems will share data amongst this infrastructure using existing HPE hardware and software. Only HPE Blades Line (BL) blade servers are compatible with HPE blade enclosures. Only 3Par migration and replication tools can be used to seamlessly upgrade from a 3Par 74xx series array to a 3Par 84xx series array. As a result, the hardware must be compatible with the existing infrastructure. No other brand name storage will communicate and function within the current infrastructure due to the HPE proprietary constraint. The Data Protector software is augmenting existing Data Protector backup and recovery solution in place, which is responsible for protecting VA data in this environment. Additional blade servers, storage and software is required to fit and have 100 percent compatibility in an already existing HPE environment. Therefore, HPE and its authorized resellers are the only providers that can provide blade servers, storage and backup software that are fully compatible within the HPE-based infrastructure. Further, the existing HPE infrastructure, including the supporting software is proprietary to HPE, which means that no other server or software is compatible or interoperable with the current infrastructure. The source code and proprietary data are necessary in order to provide the required support services. Due to the proprietary nature of the source code, only HPE or an authorized HPE reseller can properly update, upgrade and maintain the HPE blade servers, to include the hardware and software. In addition, the proprietary code is needed to ensure the services provided are properly configured. Any lack of compatibility with VA's current infrastructure could disrupt Enterprise Testing Service Operations, affect testing schedules and could result in additional cost to the Government as solutions will be required to address issues that may arise. The selection of anything besides HPE servers would require replacement of the entire infrastructure. Additionally, VA requires software and hardware support to maintain the system. Only HPE or an authorized reseller can provide the necessary support to maintain the HPE equipment by providing certified HPE hardware maintenance services, software updates, and replacement parts.

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. It was determined, however, that limited competition is anticipated among authorized resellers for this brand name HPE hardware and support services on the NASA SEWP V GWAC. 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 within 14 days of award on the Federal Business Opportunities Page. Additionally, in accordance with FAR 16.505(a)(4)(iii)(A)(2), this justification will be posted with the request for quotation on the NASA SEWP V GWAC.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed for this software maintenance.

8. Market Research: The Government's technical experts conducted market research in August 2017 by reviewing other server, software and support service providers available on NASA SEWP V GWAC including Dell, Linux, and Lenovo. All of these vendors provide variants of these types of servers, associated software and support services, however, they lack the compatibility and interoperability with the existing infrastructure. The Government's technical experts confirmed that no other source's hardware will be compatible with the existing infrastructure. Using a product other than the brand name HPE hardware would require a full test center hardware replacement which is cost prohibitive. Further, the software and support services require access to the source code and proprietary data of the existing HPE platform at the Bay Pines Test Center. Unauthorized resellers cannot provide the required support services to sustain the existing HPE software without access to the HPE proprietary source code. Based on this market research, it has been determined that only HPE or its authorized resellers have access to the proprietary source code to meet all of ETS' needs.

In addition, the Government issued a Request for information (RFI) on NASA SEWP V GWAC in May 2017 to ascertain if any resellers can meet VA's needs and received three responses from small businesses, including one Service-Disabled Veteran-Owned Small Business (SDVOSB) (Minburn Technology Group), one Woman-Owned Small Business (ACC), and one small business (New Tech Solutions). Government technical experts reviewed the RFI responses and determined that all three companies were capable of meeting the requirement.

Additional market research was conducted in August 2017 by utilizing the Provider Lookup Tool on the NASA SEWP V GWAC, which found a total of 97 authorized resellers that can fulfill the Government's requirements, 13 of which are contract holders in Group B(2) SDVOSBs and which are registered and verified in the Vendor Information Pages (VIP) database. Furthermore, market research was conducted on the VIP database which found that two or more VIP verified vendors are capable of meeting the Government's requirements. In addition, NASA SEWP V GWAC is a dynamic GWAC in which products can be added to vendor catalogs based on customer requests on as frequent as a daily basis, as long as the required IT item is within scope of the NASA SEWP V GWAC. Finally, the requirements discussed herein have been found to be within scope of the NASA SEWP V GWAC in a separate determination.

9. Other Facts: None.





