

## 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, New Jersey 07724
  
2. Description of Action: This proposed action is for a firm-fixed-price delivery order under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for maintenance and support of International Business machines (IBM) products.
  
3. Description of Supplies or Services: VA Office of Information and Technology (OI&T), Information Technology & Operations (ITOPS) has a requirement for maintenance and support of IBM products that are only available under IBM's Passport advantage (PPA) Agreements program. Specifically, the IBM products include: IBM Cognos Business Intelligence for Non-production Environment, IBM Cognos Business Intelligence Analytics Administrator per Authorized User, IBM Connections, IBM Cognos Business Intelligence Analytics Explorer Authorized User, IBM Cognos Analytics, and Enterprise Content Management System Monitor. IBM PPA is designed for larger enterprises which have multiple sites. The advantage of using PPA includes pricing discounts based on volume and IBM's aggregate pricing metrics for the parallel sysplex systems. The software maintenance will consist of software upgrades and updates to include major releases, patch releases, service releases, and security releases of applicable software on a quarterly basis and/or within 48 hours in cases with high risk vulnerability fixes. This proposed action is only for services, no other brand name items will be procured. The base period of performance is from October 1, 2017 through September 30, 2018 with two 12- month option periods.
  
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 market research, as described in section 8 of this document, it was determined that limited competition is available for the IBM PPA software maintenance and support. The current infrastructure operations are based on existing IBM software product lines acquired under IBM's PPA program. The software must be compatible and properly integrated with the existing infrastructure protocols and functionality for continued operational availability. It is critical that this infrastructure remain operational at all times and maintenance and support services be continuously available. Only IBM's PPA division or an authorized reseller can provide the necessary software updates, because of the proprietary source code required to develop and implement software

updates. Access to this code is also required to ensure the services provided are properly configured. No other source is capable of providing the required software maintenance that meets VA's unique functional requirement. In addition, current IBM software licenses were purchased through the IBM PPA program and have been installed and integrated into Infrastructure Operation's IBM mainframe customer service packages. Replacing the existing software by purchasing new software, would require onsite installation and configuration of the new software and re-training of all VA information technology support staff. The new software would also have to meet the qualifications of VA's stated functional needs and would require multiple support costs if the IBM PPA software licenses were abandoned in favor of a different product. No other license is compatible and interoperable with the existing IBM PPA proprietary database structures, protocols, and software application programming interfaces. The IBM PPA software maintenance and support is the only software maintenance that meets the Government's requirement.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section 8 of this document. Although the Government is limiting competition as a result of specifying IBM PPA software upgrades and updates, there are multiple value added resellers of this product that hold NASA SEWP V contracts. In accordance with FAR 5.301 and FAR 16.505(b)(2)(ii)(D), this action will be synopsisized and the justification will be made publically available on the Federal Business Opportunities Page within 14 days after award. In accordance with FAR 16.505(a)(4)(iii)(A), the justification will be posted with the Request For Quote on the NASA SEWP V website.

7. Actions to Increase Competition: In order to remove or overcome barriers to competition in future acquisitions for the requirement described herein, the Government's technical experts has and will continue to perform market research to determine if there are changes in the market place that would enable future actions to be competed.

8. Market Research: Market research was conducted in April 2017. The Government's technical experts reviewed similar service providers to determine if the current IBM PPA software being utilized in VA can be supported by other service providers. Specifically, the Government's technical experts conducted web-based research on Luxoft and Silicus products/services. As a result of the market research, the technical experts confirmed that due to proprietary nature of the source code, IBM PPA is the only source capable of providing the required maintenance and support of the software. IBM PPA product line is software maintenance that covers multiple software packages currently in use in IO. No other service providers have the capability of developing and issuing software updates and fixes for the software necessary to support existing IO requirement. Based on all of these market research efforts, the Government's technical experts have determined that only IBM PPA software can meet all of VA's needs.

In July 2017, the contract specialist identified 17 contract holders that can provide IBM PPA software upgrades and updates. Of these 17 resellers, four are service disabled veteran owned small business and 13 are small businesses that are capable of meeting the VA needs. In addition, a Request for Information (RFI) was issued on July 17, 2017 by utilizing NASA SEWP V GWAC web portal to identify interested sources capable of providing the required maintenance and support. The RFI resulted in submission from two SDVOSB vendors, I3 Federal, LLC and Alvarez, LLC. Based on this research, limited competition is anticipated.

9. Other Facts: None