

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 task order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government wide Acquisition Contract (GWAC) for Red Hat Enterprise Linux (RHEL) software maintenance.
3. Description of Supplies or Services: VA, Office of Information and Technology, Service Delivery and Engineering, Infrastructure Operations (IO) has a requirement for software maintenance for 81 brand name Red Hat Enterprise Linux (RHEL) software licenses currently in use at Austin Information Technology Center (AITC) z13 Service Center. Currently the AITC z13 Service Center utilizes RHEL software to run virtual servers under the z/VM operating system in support of the Service Oriented Architecture Research and Development (SOARD) Maximo (MAX) system which provides Veterans Health Administration (VHA) modernized and integrated Enterprise Asset Management (EAM) capability including the ability to perform requisitioning, work order management, inventory management, facilities management, equipment management, and related workforce management. MAX leverages virtualized Linux servers, running under IBM's Z operating system on the IBM mainframe at AITC and enhances VHA's ability to serve Veterans by creating and maintaining an effective, integrated, Administration-wide management facility to make data-driven decisions, allocate resources, and manage results. The Maintenance support will allow for remedying software defects as well as enhancing and optimizing software. The maintenance support shall include all new fixes, patches, corrections, releases, updates, versions and upgrades to the software. This effort is for services only, no software will be renewed or procured under this effort. The maintenance support shall also include 24x7 phone and web support. The period of performance for maintenance shall be 12 months from date of award with one 9-month option.
4. Statutory Authority: The statutory authority permitting this exception to fair opportunity is Section 41 U.S.C 4106(c)(2) as implemented by Federal Acquisition Regulation (FAR) Paragraph 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: Based on extensive market research, as described in section 8 of this document, it was determined that limited

competition is available among resellers for the brand name RHEL software maintenance as described in section 3 of this justification. Only Red Hat or a reseller can provide the maintenance due to the proprietary source code required to develop and implement software upgrades and updates. Access to this code is also required to ensure all services provided are properly configured. The current AITC z13 Service Center environment is based solely on existing RHEL software and VA requires software maintenance compatible and interoperable with the existing functionality for continued operational availability. Due to the proprietary nature of the software code in the existing AITC z13 Service Center, which is comprised of RHEL virtual servers, only RHEL software maintenance will meet VA's requirements due to the need to interoperate with the existing infrastructure. Only Red Hat or its resellers can provide the necessary software maintenance. No other manufactures' software maintenance is compatible, functional, or interoperable with the existing RHEL software and virtual server infrastructure due to RHEL proprietary database structures, protocols and software application programming interfaces. Using any source other than Red Hat or a Red Hat reseller would require replacing the entire fielded Red Hat solution. Replacing the existing consolidated RHEL virtual servers running on the z13 platform would result in several millions of dollars in duplicative costs due to additional computer room floor space, electricity, cables, man power, Linux administration, retraining, reworking of automated processes like server backups, and time to rebuild and relocate to a different architecture. Without the additional brand name software maintenance the AITC z13 Service Center will not be able to upgrade and provide the additional capacity needed to create additional virtual servers and to support growth of existing virtual servers. Additionally, software maintenance is required to ensure the RHEL software in operation for the AITC z13 Service Center remains up-to-date and operational. Should additional RHEL software maintenance not be acquired, there is an immediate risk to the AITC z13 Service Center environment and the MAX system. MAX is an essential support system and there would be numerous adverse effects on VHA operations related to work and asset management if its operation was disrupted including disruptions in the issuance of IT equipment, the timely repair of facility life-safety items, the sanitization of patient rooms and surgical facilities, and the maintenance of patient facing clinical equipment. Without the additional RHEL software maintenance VA would experience production issues which would adversely affect patient safety. In addition a lack of maintenance support would leave VA vulnerable to viruses, hacking and outages due to critical patches not being applied monthly. Without the aforementioned proprietary source code, no source other than Red Hat and its authorized resellers can meet VA's needs.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. Limited competition is anticipated for the required maintenance support. 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 on the Federal Business Opportunities Page within 14 days of

award. Additionally, in accordance with FAR 16.505(a)(4)(iii)(A) this justification will be submitted to all applicable NASA SEWP V GWAC holders along with the Request for Quotation in order to fully notify all interested parties.

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 in a timely manner so that alternate solutions can be considered should they become available.
8. Market Research: When conducting market research in May of 2017, the Government's technical experts reviewed similar platforms and associated maintenance services to ascertain if these items could meet IO's requirements. Specifically, the Government's technical experts reviewed similar products and services from companies/organizations, such as VMware, Sun, Oracle, and Kernal Virtual Machine (KVM) in the virtual server area. In addition, the Government's technical experts researched Forrester Research, Gartner Research, and conducted research on virtual server websites and web-based forums related to virtual server. As a result of the market research the technical experts confirmed that only Red Hat or a reseller can provide the necessary software maintenance and upgrades for Red Hat software, because of the proprietary source code required. None of these other sources could provide the maintenance on the existing RHEL software, specifically none of these sources were found capable of developing and issuing software updates and fixes for Red Hat software necessary to support existing IO requirements without access to the proprietary code as outlined in section five of this justification. The other products researched (VMware, Sun, Oracle, and KVM plus other research firm cited products) were unable to meet the Government requirement for interoperability with the current RHEL infrastructure; Red Hat is already installed and integrated in IO. Additionally, none of these other software products could meet VA's interoperability and compatibility needs. Acquisition of a different product's maintenance would require massive revision and redevelopment to IO's infrastructure to enable it to support a new product which would require brand name maintenance from that manufacturer. No other maintenance can be performed on the existing Red Hat software. The Red Hat software maintenance is the only software maintenance that meets the Government's requirements. Based on the above, only Red Hat software maintenance meets all of the Government's requirements. Additional market research was conducted in October 2017, wherein the Government's technical experts utilized the NASA SEWP V GWAC Provider Lookup tool and identified several sources capable of meeting VA's needs. Specifically, 18 verified service disabled Veteran-owned small business resellers were identified as resellers of this product. Therefore, VA anticipates limited competition for this action.
9. Other Facts: None.