

JUSTIFICATION AND APPROVAL
FOR EXCEPTION TO FAIR OPPORTUNITY

1. **Contracting Activity:** Department of Veterans Affairs (VA)
Office of Acquisition and Logistics
Technology Acquisition Center
1701 Directors Blvd., Suite 600
Austin, TX 78744

2. **Description of Action:** The proposed action is for a firm-fixed-price (FFP) Delivery Order (DO) issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Government Wide Acquisition Contract (GWAC) to acquire Red Hat Linux Enterprise Release 6.0 software licenses and maintenance support. Maintenance will be one year.

3. **Description of Supplies or Services:** The proposed action is to acquire 150 Red Hat Linux Enterprise Release 6.0 perpetual software licenses to be deployed on the Veterans Benefits Administration (VBA) Benefits Delivery Network (BDN) Payment System Super Migration Gateways (SMGWs). The SMGWs are Linux-based servers located at the 58 VBA Regional Offices (ROs), and consist of customized hardware and software that primarily serve as terminal concentrators (gateways). Remote forms are stored on the SMGWs, which execute VBA software that merges the forms with variable data sent by the BDN Payment System TP8 applications for terminal screen display and printing. Red Hat, Inc., no longer provides support for VA's Red Hat Linux Release 5.0 software, so VA must acquire the 6.0 release to ensure RO systems will continue to communicate with the BDN Payment System. In addition, this new release (Linux Enterprise 6.0) is required to meet VA Information Technology (IT) security requirements, particularly the Continuous Readiness in Information Security Program (CRISP) mandates. Software maintenance support will allow for remedying hardware and software defects as well as enhancing and optimizing software; it includes all new fixes, patches, corrections, releases, updates, versions, and upgrades to the software. Technical support consists of a range of services providing 24x7x365 assistance for the software via telephone, e-mail, website, or otherwise. This will ensure the software remains operational. The total estimated value of the proposed action is [REDACTED]

4. **Statutory Authority:** The statutory authority permitting other than full and open competition is 41 U.S.C. 4106(c) 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:** This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. Red Hat, Inc., is the Original Equipment Manufacturer (OEM) of Red Hat Linux Enterprise Release 6.0, and Red Hat's product is the only product capable of meeting all of the Government's requirements. No other software is interoperable between the Linux-

based SMGW platforms and the VBA BDN Payment System. The Government has a significant investment in both systems, which are installed and operational, and VA currently does not plan to replace either configuration. VA uses these systems to process approximately \$50 billion annually in Veteran benefits. The brand name product is the only product compatible with the current software used on both systems. While Linux is an open source operating system, the Red Hat version communicates using proprietary source code. The SMGW system is based on Red Hat Linux and it also integrates the Red Hat implementation of several system libraries to meet VA requirements.

6. Efforts to Obtain Competition: The Government's technical team conducted market research, the details of which are in the market research section of this document. Although the Government is limiting competition because of specifying a brand name, there are multiple authorized resellers of the brand name hardware on the NASA SEWP IV GWAC. The Government will submit this Justification and Approval and the Request for Quote to all four NASA SEWP IV GWAC groupings. In accordance with FAR 5.301 and 16.505(b)(2)(D)(1)(i), this action will be synopsized at award on the Federal Business Opportunity Page and the justification will be made publicly available.

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 other solutions can be considered.

8. Market Research: The technical team determined that Red Hat brand name software products are the only software products available that will accept the SMGW code in the native format and syntax without modification to existing VA SMGW architecture. They reviewed similar software on the NASA SEWP IV GWAC website to determine if any other brand name items could meet VA's functionality requirements, including industry leading solutions by Canonical and Novell/SUSE. The technical experts determined the alternative software products cannot provide the specific Linux Operating System structure and libraries required, nor did they include custom password authentication code and SMGW interoperability. Based on the market research, the technical experts concluded that Red Hat Linux software licenses are the only commercially available software products compatible with VA's current SMGW architecture. The Government's technical experts then conducted market research in April 2012 by issuing a Request for Information (RFI) on SEWP. The results of the RFI released by the Government's technical experts revealed the following interested parties, all small businesses: Affigent, CounterTrade products (Women-owned), GC Micro, Merlin International (Veteran-Owned), and Sword & Shield. The contract specialist used the manufacturer lookup tool and product verification tool on the NASA SEWP IV GWAC website. There were 21 resellers of Red Hat Linux software. The contract specialist released a second RFI on SEWP to seek SDVOSB firms capable and interested in fulfilling the requirement. Only two firms responded, MicroTech (Large Business) and Three Wire (SDVOSB). All SDVOSB's were contacted by phone and only Three Wire expressed interest. Since the market research only showed one

SDVOSB interested in providing the required products, VA will solicit quotes from NASA SEWP IV GWAC groupings B (SDVOSB) and C (Small Business). The NASA SEWP IV contract requires ordering agencies to notify all four (4) contract groupings (A, B, C, and D) when issuing brand name solicitations.

9. Other Facts: Not Applicable.