

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Procurement, Acquisition and Logistics
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 issued under a National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government Wide Acquisition Contract (GWAC) for hardware and software maintenance support on existing brand name Dell/EMC VNX items in support of an integrated storage solution supporting VA's remote desktop and remote application infrastructure.

3. Description of the Supplies or Services: VA, Office of Information and Technology (OI&T), IT Operations and Services (ITOPS) has a requirement to provide hardware and software maintenance support for existing Dell/EMC VNX items. The current Dell/EMC VNX items are installed at the following 16 VA locations, Minneapolis, MN; Denver, CO; Durham, NC; Englewood, CO; North Little Rock, AR; Secaucus, NJ; Orlando, FL; San Antonio, TX; Hines, IL; Cleveland, OH; Sacramento, CA; Oakland, CA; Bay Pines, FL; Kansas City, MO; Austin, TX; Philadelphia, PA. Dell/EMC VNX hardware provides the ability to store data as part of VA's remote desktop and remote applications delivery strategy. Dell/EMC's maintenance support is required to ensure the existing hardware and software remains operational. Hardware and software maintenance includes on-site maintenance repair and hardware replacement parts, 24x7 coverage 365 days/year phone and website access availability for reporting a trouble ticket, software and firmware/microcode updates, and Next Business Day response time. The period of performance shall be 12 months. The total estimated value of the proposed action is .

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 this procurement. VA currently uses the Dell/EMC VNX hardware and software to support consolidated storage operations throughout the VA enterprise. The existing integrated storage solution is installed at 16 VA locations, where it is vital to providing high-availability storage for its respective regions, including fault-tolerance, in-use migrations, support for clinical and administrative use cases, and ensuring zero loss of data. The required hardware and software maintenance support required by VA can only be provided by Dell/EMC or authorized resellers. Specifically, only Dell/EMC or an

authorized Dell/EMC reseller has access to the proprietary code that is required for the aforementioned hardware and software maintenance to ensure that all services provided are properly configured. In addition, no other replacement hardware parts other than Dell/EMC brand name items can meet VA's form, fit and function requirements. Specifically, any other brand name hardware utilized to repair the aforementioned fielded Dell/EMC items would not work nor be interoperable and compatible within the current Dell/EMC environment and would void any remaining warranty. Furthermore, access to Dell/EMC proprietary source code is required to provide the required hardware and software maintenance support, specifically to complete firmware updates that are programmed on the hardware which are included in the maintenance requirement to ensure the hardware is functioning to its maximum capabilities and remains fully operational. Therefore, only an authorized reseller of Dell/EMC VNX hardware, with access to this source code can provide the required hardware and software maintenance. The integrated storage solution hardware currently in place is considered to be a critical piece of storage infrastructure throughout VA and is used to provide critical application presentation and remote desktop capability in support of critical business software applications including VA's Electronic Health Record, our Veterans Benefit Management System and our Burial Operations Support System. This infrastructure must remain operational at all times and maintenance services must be continuously available to provide the required level of support for VA staff.

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 other than existing Dell/EMC authorized resellers. The VA determined that limited competition is viable among authorized resellers for the required brand name Dell/ EMC hardware, software, and maintenance support that are current NASA SEWP V GWAC holders. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D). Notice of award for this action will be synopsized and this justification will be made publicly available on the Federal Business Opportunities Page within 14 days of award. Additionally, the justification will be posted along with the solicitation on the NASA SEWP V website.

7. Actions to Increase Competition: In order to remove or overcome barriers to competition in future acquisitions for this requirement, the Government will continue to perform market research to determine if there are any products and/or source providers available that will enable future requirements to be competed. The hardware will reach the End of Production Support within the next 12-18 months, and VA is currently actively looking to retire or replace these items.

8. Market Research: Market research was conducted in January 2018 to ascertain the ability of any source, other than Dell/EMC, or an authorized reseller, to provide the aforementioned maintenance services. A Request For Information was posted on NASA SEWP and 5 responses were received from four Dell/EMC resellers Unisys, Alvarez, Sterling Computers, New Tech Solutions and Integration Technologies Group (ITG) a non Dell/EMC reseller 3rd party warranty provider. Specifically the Government's

technical experts reviewed ITG's offering to determine if it could support and maintain both the Dell/EMC hardware as well as provide necessary Dell/EMC software/firmware/microcode updates. ITG acknowledged in its response that it could only provide the maintenance support for some items. After contacting ITG on February 1, 2018, ITG responded on February 5, 2018, specifically confirmed in writing they could only support maintenance on some items and not on the entire requirement. Government's technical experts determined that only Dell/EMC or an authorized reseller of Dell/EMC products is capable of meeting all of VA's requirements as outlined in Section five of this Justification.

Additionally, market research was conducted in January 2018 utilizing the NASA SEWP V GWAC Provider Lookup Tool to determine whether the required brand name Dell/EMC maintenance support was available from current GWAC holders. The results of the search found 120 GWAC holders that are Dell/EMC resellers that could possibly meet VA's needs, including 22 Service-Disabled Veteran- Owned Small Business Value Added Resellers. Therefore, limited competition is anticipated.

9. Other Facts: None.