

JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Procurement, Acquisition, and Logistics
Technology Acquisition Center
1701 Directors Blvd
Austin, TX 78744
2. Description of Action: The proposed action is for a firm-fixed-price delivery order (DO) to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government-Wide Acquisition Contract (GWAC) for Variphy Incorporated (Variphy) software licenses, maintenance and support.
3. Description of the Supplies or Services: VA, Office of Information and Technology, Information Technology Operations and Services, Infrastructure Operations (IO) has a requirement to purchase 13,000 additional licenses of brand name Variphy Insight Call Detail Record (CDR), Report and Audit software bundles to add to their existing inventory of 82,000 government owned Variphy licenses. Variphy Insight is a commercially available off-the-shelf (COTS) software bundle that is used to configure, maintain, audit, and record the call details for Voice over Internet Protocol (VoIP) phones. VA also requires maintenance and support, specifically Variphy software extended service and support that allows for enhancements and optimization of the software, as well as remedying any software defects and failures; it includes all new fixes, patches, corrections, releases, updates, versions and upgrades to the software. The software support includes a range of services providing 24-hour a day, 7-day a week, 365-day a year assistance for the software via telephone, e-mail, and website. This will ensure the Variphy application remains operational and free of vulnerabilities to meet the Continuous Readiness Information Security Program requirements. Without continued service and support, the Variphy software may not efficiently perform its intended functions, which would result in loss of federal mandated CDR. These records are necessary so they can be made available to the Inspector General (IG) and the Freedom of Information Act (FOIA) agents so they can review calls made by department employees for a period of four years. The period of performance is 12 months after award with four 12-month option periods. VA anticipates using this software for at least five years and therefore requires this length of period of performance. The total estimated value of the proposed action is [REDACTED], inclusive of the 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) Paragraph 16.505 (b) (2) (i) (B), titled "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 paragraph 8 of this justification, it was determined that limited

competition is viable among authorized resellers for the aforementioned brand name Variphy software licenses and maintenance support as described in paragraph 3 of this justification. Variphy software is used in conjunction with the Cisco Call Manager phone system. Although Cisco manufactures a version of software similar to Variphy's, Cisco's software does not have the capability to sort the records by field, a key VA requirement utilized by IG and FOIA agents. The current IO infrastructure is based on existing Variphy software and VA requires support compatible with the existing infrastructure protocols and functionality for continued operational availability. Only the Variphy software integrates seamlessly with the Cisco Call Manager systems and Cisco recommends utilizing the Variphy software with their Call Manager systems for CDR and analytics. VA requires software upgrades and updates to include major releases, point releases, service releases of applicable software on a quarterly basis, or within 48 hours in cases where a high risk vulnerability fix becomes available. Only Variphy or an authorized reseller can provide the necessary software updates, because of the proprietary source code required to develop and implement software updates. Also, no other source is capable of providing the required software maintenance that meets VA's unique functional requirement without access to the Variphy code. Access to this code is needed to ensure all services provided are properly configured. In addition, no other brand name software can meet all of VA's functional requirements including call record details and analytics such as call usage and phone control. In addition, acquisition of a different product would result in a duplication of costs to purchase new software. Specifically, a prior implementation of Variphy software licenses already exists in IO. The Variphy licenses are not be compatible with a different software platform, as the software code is proprietary to Variphy. Use of another brand of software would not be able to communicate with the existing Variphy software due to the proprietary constraints. Therefore, changing to a different platform would require a procurement of 95,000 licenses (instead of the 13,000 required under this DO) as well as training for government employees and new server hardware and storage resulting in a duplicated cost of \$12,500,000.00.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in section 8 of this justification. Limited competition is available among Variphy resellers for these brand name software licenses and support. In accordance with Federal Acquisition Regulation (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. 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 GWAC website with the solicitation to notify all interested parties.
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.
8. Market Research: VA technical personnel conducted market research in March 2018, which consisted of extensive internet searches, reading of white papers and reviewing service technical specifications of the vendor's Website, and review of

similar services and products including Solar Winds Call Detail Record Tracker, Media Clone, Phone X1, Uptivity and Telecom Expense Management Suite. As a result of the market research, the technical experts confirmed that brand name Variphy licenses and software maintenance services are the only products available that are compatible and interoperable with the currently fielded Call Manager software. In addition, the Government's technical experts confirmed that the source code required to issue the updates is proprietary so Variphy is the only source capable of providing the required maintenance and upgrades for the software. No other firm has the capability of developing and issuing software updates and fixes for Variphy software, software necessary to support existing IO requirements. All of the products researched were unable to meet the functional requirements as stated in paragraph 5. The integration and functional requirements detailed in paragraph 5, do not allow for any other product to meet IO's needs. The government already owns 82,000 Variphy software licenses that are already integrated into the Cisco Call Manager. In addition, VA Unified Communications subject matter experts regularly review industry trade publications and conduct internet research to ascertain if any other maintenance solution is available. Based on this market research, the VA technical experts have determined that only Variphy brand name licenses and software maintenance services can meet all of VA's requirements.

The Contract Specialist utilized the NASA SEWP V Provider Lookup Tool in June 2018 and found two Variphy authorized resellers. Limited competition is anticipated.

9. Other Facts: None