

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 the Action: This proposed action is for a Firm-Fixed-Price delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for Dell EMC Virtual Computing Environment (VCE) vBlock Systems 340 hardware, software add-ons, software licenses, premium software maintenance, and technical support services.
3. Description of Supplies or Services: VA, Veterans Health Administration (VHA), Veterans Integrated Service Networks (VISN) 8 Biomedical serviced by the Office of Information and Technology (OI&T), Service Delivery and Engineering (SDE) has a requirement to augment its existing Dell EMC VCE vBlock Systems 340 with disaster recovery capabilities by expanding its existing Dell EMC storage and computing capacity. VISN 8 purchased eight (8) Dell EMC VCE vBlock Systems 340 in 2014 which consists of virtualization software, blade servers, switches, and storage devices which constitutes the Converged Virtualization Infrastructure (CVI). There are eight (8) VA Medical Centers (VAMC) currently utilizing this CVI to support server virtualization operations, site Files Shares, and critical medical and administrative systems. There are three (3) large systems located at Gainesville, Tampa and Lakemont (Orlando) VAMCs and five (5) small systems located at Bay Pines, Miami, San Juan, West Palm Beach and Lake Nona (Orlando) VAMCs. This action is to expand the existing Dell EMC storage and computing capacity at the Tampa and Lakemont sites. Storage and computing capacity will be expanded at the Tampa and Lakemont sites including hardware, software as well as resident technical support while the remaining sites will require only software. All sites require premium software maintenance. Expanding the existing storage and computing capacity at the Tampa and Lakemont sites is required to meet the disaster recovery demands for all eight sites.

The expansion of the existing Dell EMC storage and computing capacity includes new software add-ons and licenses. The Tampa and Lakemont sites require new software add-ons and licensing while the other remaining sites require new software. The disaster recovery software requirements for both the Tampa and Lakemont sites in total consists of 196 VNX software add-on performance upgrades (98 each site), two (2) VNX OE License (1 each site), and two (2) VNX unified management suites (1 each site). For the remaining sites, six (6) new VNX Base Software Essential Licenses (1 at each site) is required. The new software add-ons and licensing procured for each site will provide the interoperable software necessary for a centralized disaster recovery capability.

The expansion of the existing Dell EMC storage and computing capacity includes procurement of new hardware. Only the Tampa and Lakemont sites require the new hardware. The disaster recovery hardware requirements for both the Tampa and Lakemont sites consists of six (6) storage shelves, 162 Dell EMC hard drives, two (2) Data Processing Equipment (DPE) Conversion, and four (4) Data Movers (DM) Conversion. Further, the hardware requirement includes a 36-month standard warranty included in the Dell EMC hardware list price. While the new hardware is physically required at the Tampa and Lakemont site, the disaster recovery capabilities will be for all eight (8) Dell EMC vBlock sites. Currently, storage and computing within the CVI environment has reached its capacity. In order to provide the centralized disaster recovery capabilities required for all sites, expanding the existing Dell EMC storage and computing hardware at the Tampa and Lakemont sites is necessary.

Additionally, the requirement includes delivery, installations, initial setup, and configuration at all sites which shall be completed within 90 days after contract award. Also required is Dell EMC VCE vBlock System 340 premium software maintenance to provide twenty-four (24) hours a day, seven (7) days per week, 365 days a year (24X7X365) onsite service support with maximum response times based on designated severity levels of the problem. Technical telephone support shall be available 24X7X365. Additionally, there will be 12-months of Dell EMC VCE resident support engineering services covering the eight (8) sites in the base period and both option periods to provide advanced Original Equipment Manufacturer (OEM) engineering services to troubleshoot, resolve and/or mitigate all hardware and software related issues across all associated hardware and software in order to keep all CVI environments operational. The period of performance is a 12-month base period, 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) 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 market research, as described in section 8 of this justification, it was determined that limited competition is available for this procurement. This procurement allows VA to expand existing Dell EMC storage and computing capacity in order to provide disaster recovery capabilities for Recovery Point Objective (RPO), and Recovery Time Objective (RTO) requirements. This procurement will expand existing virtualized storage and computing capacity, which shall be used by existing and future planned biomedical applications, which directly support patient care throughout VISN 8. The expansion is required to remain compliant with National Institute of Standards and Technology (NIST) Special Publication 800-53, Contingency Planning and Media Protection requirements.

The required Dell EMC software such as new software add-ons and software licensing as

well as new hardware such as storage shelves, hard drives, DPE conversion, and DM conversion must be fully compatible with existing Dell EMC VCE infrastructure currently utilized throughout VISN 8, so there is full interoperability and compatibility between existing vBlock CVI(s). No other source can provide the hardware and software for the expansion. In order to provide the centralized disaster recovery capabilities, Dell EMC software and hardware parts are needed. Only Dell EMC can provide the brand name software and hardware as no other items can meet the Dell EMC VCE infrastructure's form, fit and function requirements. Use of any other brand name software and hardware would not fit into the existing Dell EMC VCE infrastructure. The existing CVI environment is an integrated virtualization, computing, and storage proprietary solution comprised of Dell EMC hardware and software. Use of any other brand name software and hardware will result in inoperable and incompatible CVI environments. In addition, using any other brand name hardware and software will result in replacing all the existing items in the 8 regions due to the interoperability issues. Specifically, due to the proprietary constraints, no other brand name hardware and software will be able to communicate with the existing CVI. Any other disaster recovery hardware and software would require replacement of the entire CVI environment which would result in extensive delivery delays of over 12 months due to configuration, phasing of installation at all the sites, and migration of systems as well as duplicated costs of \$7.5M that would not be recovered through competition. These estimates are based on similar efforts to establish these sites. Specifically, the existing CVI environment consists 8 Dell EMC VCE vBlock systems consisting of various Dell brand name items including 96 software licenses, 600 virtual servers, 32 switches, 48 servers blades, 16 storage devices with approximately 800TB for production data and 900TB for backup and ancillary equipment. These items would all have to be replaced if any other brand name hardware and software was used.

The vBlock platform is configured and certified using validated design methodology and comparability matrix and the CVI components are designed to work together and seamlessly integrate with each other. If the configuration is performed by any other source other than a Dell EMC or an authorized reseller, the hardware and software warranty on the existing 8 vBlock systems would be voided due to the term of the warranty that prohibits non-OEM hardware and software. The existing coverage left on the warranty is valued at approximately \$600K. This cost has been incurred by the Government and would be a loss if warranty was voided.

Additionally, the required technical support services are the Dell EMC VCE premium software maintenance and the Dell EMC VCE resident support engineering services. The Dell EMC VCE premium software maintenance includes 24X7X365 remote help support, four (4) hour response time, and installation of minor/major software upgrades.

The Dell EMC VCE resident support engineering services will provide OEM authorized services, code upgrade services matrix upgrade and support for the VCE vBlock Systems 340. The resident engineering services will support and coordinate efforts to resolve and mitigate all hardware and software related issues in the vBlock CVI environment as these services provide specialized knowledge of the systems from an OEM perspective and approved support for entire vBlock Systems 340. The resident engineering services are

required to ensure that the required storage and all its hardware components run efficiently.

Failure to acquire the Dell EMC VCE vBlock Systems 340 hardware, software add-ons, software licenses, premium software maintenance, and technical support services will prevent VISN 8 from obtaining fixes and patches to identify security vulnerabilities and code upgrade resolutions. Due to the proprietary nature of the hardware, software, and technical support services, only Dell EMC or an authorized reseller can provide the required support for the Dell EMC components of vBlock CVI environment and the license keys necessary for the product to operate. Furthermore, access to Dell's proprietary code is required to ensure all services provided are properly configured. Dell EMC or an authorized reseller are the only sources available that can provide hardware replacement parts, software updates, and technical support services including troubleshooting, patches, and version releases due to the proprietary nature. Other manufacturers do not have the proprietary hardware replacement parts or software source code necessary to provide the expansion for centralized disaster recovery capabilities among all sites. Also, any technical support services performed by parties not authorized by Dell EMC will invalidate product warranties and remove liability for performance from the manufacturer. VISN 8 relies heavily on the data stored within the existing biomedical vBlock CVIs storage systems for various patient care projects. This procurement for Dell EMC VCE vBlock Systems 340 hardware, software add-ons, software licenses, premium software maintenance, and technical support services will ensure that the CVI storage and computing expansion will provide the centralized disaster recovery capability while keeping the VCE vBlock Systems 340 interoperable and compatible without interruption of service.

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. However, the undersigned VA technical representative determined that limited competition is available among authorized resellers for brand name Dell EMC VCE vBlock Systems 340 hardware, software add-ons, software licenses, premium software maintenance, and technical support services. In accordance with FAR 16.505(a)(4)(iii)(A)(1), this justification will be provided with the solicitation to all appropriate NASA SEWP V GWAC holders. Furthermore, in accordance with FAR 5.301, 16.505(b)(2)(ii)(D), and 16.505(a)(4)(iii), the award notice for this action will be synopsisized on the Federal Business Opportunities website and this justification will be made publicly available within 14 days of award

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 conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed. Specifically, the Government will continue to research similar storage, disk array, software and technical support services to determine if new products and services enter the marketplace that are compatible with the CVI environments described above.

8. Market Research: VA's technical experts conducted market research to ascertain the ability of any other products other than Dell EMC that can meet the Government's requirements. VA technical experts conducted market research in March and April 2018 by researching other similar hardware, software, and technical services from NetApp, Nutanix Corporation, International Business Machines, and Hewlett Packard. After an extensive review by VA's technical experts, these other products and services were unable to meet the compatibility and interoperability requirements needed to augment the existing vBlocks CVI environments within VISN 8 facilities as outlined in section 5 of this justification due to the proprietary nature of the hardware and software that comprise the vBlock CVI environments. No other source can provide the proprietary source code specific for the premium software maintenance; and therefore, cannot provide the required engineering and technical support for the Dell EMC and other vBlock components. Only Dell EMC or authorized resellers can provide the proprietary hardware components and software access to the proprietary data, source codes, and protocols of the software in order to provide the required centralized disaster recovery capability for the Dell EMC VCE vBlock Systems 340, and the engineering and technical support in order to provide software maintenance, fixes and updates.

Additional market research was conducted in June 2018 by utilizing the NASA SEWP Provider Lookup tool to determine whether the required brand name Dell EMC VCE vBlock Systems 340 hardware, software add-ons, software licenses, premium software maintenance, and technical support services are available from NASA SEWP V GWAC holders. It was determined that there are several authorized resellers of the brand name Dell EMC VCE products that hold current GWACs; therefore, limited competition is anticipated.

9. Other Facts: None.