

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 delivery order to be issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government Wide Acquisition Contract (GWAC) for brand name International Business Machines (IBM) QRadar Software Maintenance.
3. Description of Supplies or Services: VA, Office of Information and Technology (OI&T), IT Operations and Services (IO) has a requirement for continue maintenance of existing brand name IBM QRadar Software. The software maintenance will consist of software upgrades and updates to include major releases, point releases, service releases and security releases of applicable software on a quarterly basis, and/or within 48 hours in cases in which a high risk vulnerability fix becomes available. Furthermore, the maintenance is required to ensure the software remains operational. The continue maintenance of existing brand name IBM QRadar Software licenses and updates are necessary for IO to be able to operate successfully. The period of performance is from September 28, 2018 – September 27, 2019. The estimated price of the proposed action is [REDACTED]
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) Section 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 paragraph 8 of this document, it was determined that limited competition is viable among authorized resellers for the brand name QRadar, software maintenance and update support as described in section 3 of this justification. The current IO infrastructure is based on existing QRadar software and VA requires support compatible with the existing infrastructure protocols and functionality for continued operational availability. 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. The software updates are required for QRadar Software Maintenance Support. Only IBM QRadar or an authorized reseller can provide the necessary software updates, because of the propriety source code required to develop and implement software updates. No other source is capable of

providing the required software maintenance of the existing IBM QRadar licenses as only IBM QRadar or its authorized resellers have access to the proprietary source code necessary to provide the required software upgrades and updates. An acquisition of a different product, even if another one existed with qualifications that met VA's stated functional needs, would require multiple support costs. If the QRadar, software licenses were abandoned in favor of a different product and IO would need to re-purchase the initial software licenses previously purchased. No other license is compatible with or interoperable with the existing QRadar, proprietary database structures, protocols, and software application programming interfaces. The brand name QRadar software maintenance is the only software maintenance that meets the Government's requirements.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research paragraph of this document. This effort did not yield any additional sources that can meet the Government's requirements. It was determined, however, that limited competition is viable among authorized resellers for this brand name software maintenance. 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.
7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be fully competed.
8. Market Research: QRadar is a commercially available off-the-shelf software license package currently in use in VA. While conducting market research in March 2018 the Government's technical experts reviewed similar software products to ascertain if these items could meet VA's requirements. Specifically, the Government's technical experts reviewed FireEye Security and Malware protection, VSS Monitoring, and Imperva Web Application Security. As a result of the market research the technical experts confirmed that as the source code required to issue the updates is proprietary, IBM QRadar is the only source capable of providing the required maintenance and upgrades for QRadar software. No other firm has the capability of developing and issuing software updates and fixes for QRadar 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 performance functional requirements detailed in paragraph 5 and integration with existing installed software and no other product other than QRadar software are able to meet these requirements. Additionally, none of these other software products could meet VA's interoperability and compatibility requirements as outlined in paragraph 5 of this document. Based on the above, only QRadar software licenses and maintenance meets all of the Government's requirements.

On May 17, 2018, additional market research was conducted using the Provider Lookup Tool on the NASA SEWP V GWAC website. It was determined that there are numerous NASA SEWP V GWAC holders that are authorized resellers of brand name IBM QRadar Software maintenance that can provide the required software maintenance under North American Industry Classification System code 541519.

9. Other Facts: N/A

10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on the Independent Government Cost Estimate. Pricing for products awarded on NASA SEWP V GWAC have already been determined to be fair and reasonable and more competitive pricing may result from competition.

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.