

JUSTIFICATION AND APPROVAL  
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition Operations  
Technology Acquisition Center  
260 Industrial Way West  
Eatontown, NJ 07724
  
2. Description of Action: The proposed action is for a firm-fixed price (FFP) delivery order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise Wide Procurement (SEWP) IV Government Wide Acquisition Contract (GWAC) for Hewlett Packard (HP) brand name HP Proliant BL680c/870c servers and HP Storaeworks P6500 solutions data storage systems and additional hardware components, installation, a base year and two option years of hardware/software maintenance support including 24/7 Defective Media Retention (DMR) on-site support. The HP brand name hardware will be used to create a testing environment for VA's International Classification of Diseases (ICD) 10 Program, a program of coding and tracking the diagnosis of thousands of diseases worldwide. The ICD-10 Program software is due to be operational beginning October 1, 2012, therefore delivery of hardware shall be within 20 calendar days after award, with startup, setup, and installation to be completed within 45 calendar days after award, which is estimated to occur on August 1, 2012.
  
3. Description of Supplies or Services: The proposed action is to procure HP brand name hardware, installation, a base year and two option years of hardware/software maintenance support including 24/7 DMR on-site support. This hardware and support is to be used to create a testing environment for VA's ICD-10 Program that identically parallels the hardware used in the field, which consists of only HP Proliant BL680c/870c servers and HP Storaeworks P6500 solutions data storage systems. The ICD-9 program that is currently in place is different from the updated ICD-10 and intensive testing in a parallel testing environment is required to ensure a seamless transition from ICD-9 to ICD-10. The contractor will provide the parts and installation of these systems as well as a base year and two years of support. This support includes 24/7 onsite DMR support, which will allow hardware with secure, classified information to never leave the control of VA even if the hardware needs to be repaired, a security measure that diminishes the risk of data being compromised. The total estimated price of the proposed action, inclusive of options, is [REDACTED]
  
4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. § 4106 (c) as implemented by the Federal Acquisition Regulation (FAR) Subpart 16.505(b)(2)(i)(B), entitled "Exceptions to the fair opportunity process," stating that 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 extensive market research, as described in paragraph eight of this document, it was determined that

limited competition is viable among authorized resellers for these brand name items. VA currently uses HP brand name hardware to run its ICD-9 Program production environment. In order for the Government to accurately test the ICD-10 Program, VA requires testing to see how the underlying software, HP OpenVMS, functions in a testing environment identical to the current production environment. These tests serve to determine if the software is accurate enough to be trusted with secure data, such as medical records and/or Private Health Information (PHI) when it is ultimately deployed in the production environment. When dealing with patient data and the tracking of PHI, it is imperative that all data is perfectly accurate. The only way to ensure this degree of accuracy is to test the ICD-10 Program on HP ProLiant BL680c servers and HP Storgeworks P6500 solutions data storage systems, the same HP hardware that is used to store patients' diagnosis histories and the same environment that currently hosts the ICD-9 Program. Only HP brand name hardware can mirror the current environment to enable VA to conduct the aforementioned testing. Utilizing any other brand name software will render such testing efforts useless as the results of such testing would not accurately reflect the currently fielded VA's HP OpenVMS environment. HP OpenVMS is an HP product and is only offered through HP on specific hardware included in this procurement. Failure to acquire the aforementioned HP brand name hardware will result in inability to test the ICD-10 Program, delaying its nationally mandated launch and allowing potential patient safety issues into production.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort determined that any source capable of providing HP hardware can meet the Government's requirements.

Accordingly, this justification and the Request for Quotation (RFQ) will be submitted to all four NASA SEWP IV GWAC contract groups in order to fully notify all interested parties. Any quotes received will be evaluated. Furthermore, in accordance with FAR 5.301 and 16.505(b)(2)(D)(1)(i), this action will be synopsisized at award on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available.

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: The ICD-10 program (covering 36 individual applications) updates legacy applications specifically written to run on the OpenVMS server operating system to support the new ICD-10 standard. The Government's technical experts conducted market research in July 2012 by performing research on the Internet and reviewing OpenVMS technical documentation that OpenVMS only runs on HP Itanium servers. Internet searches for IBM, Oracle, and Dell support to run the OpenVMS server operating system returned no results. As such, VA must procure HP brand name hardware in order to successfully test the ICD-10 project's VA's VistA applications. Additionally a Request for Information was issued on July 6, 2012 to ascertain the extent of limited competition for the aforementioned brand name items. Responses were received from two sources. As a result, the research determined there is limited competition.

9. Other Facts: ICD-10 testing is needed to provide a framework for successful accountability throughout the cycles for testing the existing interfaces to VistA and non-VistA applications, trading partners, and other partners outside of VA. Testing is also needed to ensure patient safety is maintained using current ICD-9 functionality before the activation date, and future functionality of ICD-10 codes are thoroughly tested to meet VA requirements. The HP equipment to establish the environment is required to be delivered by September 1, 2012 to meet the aggressive schedule of VA and Health and Human Services (HHS) to begin deployment of 36 legacy applications by October 1, 2012 and to ensure full implementation of all 36 legacy applications meet the current HHS national deadline of October 1, 2013. In support of these timeframes, the environment is needed now to complete the major testing events executed for validation of the ICD-10 software.

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.

Ray E. Lee

Digitally signed by Ray E. Lee  
DN: cn=US, ou=U.S. Government, ou=Department of  
Veterans Affairs, ou=Internal Staff,  
c=US, o=U.S. Government, ou=Ray E.  
Lee  
Date: 2012.07.13 09:28:11 -0400

Date: 7/12/2012

Division Director, IEO Signature: \_\_\_\_\_

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. Prices contained in contracts awarded on NASA SEWP IV GWAC have already been determined to be fair and reasonable. Finally, the successful quotation will be compared to the Independent Government Cost Estimate.

Debra G. Clayton Date: 7/12/2012

Procuring Contracting Officer Signature: \_\_\_\_\_

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

Debra G. Clayton Date: 7/12/2012

Procuring Contracting Officer Signature: \_\_\_\_\_

13. Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support an exception to fair opportunity and deem it legally sufficient.

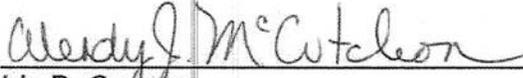
Lea E. Duerinck Date: \_\_\_\_\_

Legal Counsel Signature: 7/16/12

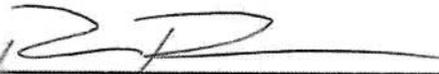
Approval

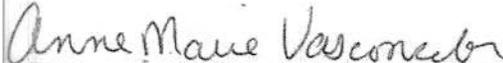
In my role as Contracting Activity Competition Advocate, based on the foregoing justification, I hereby approve firm-fixed price (FFP) delivery order issued under the National Aeronautics and Space Administration Solutions for Enterprise Wide Procurement IV Government Wide Acquisition Contract for Hewlett Packard brand name hardware, installation, three-years of warranty support, and 24/7 Defective Media Retention on-site support. This action will be issued as an exception to fair opportunity pursuant to FAR 16.505(b)(2)(i)(B), subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: 7/19/12

Signature:   
Iris B. Cooper  
Head of the Contracting Activity

Justification For A Limited Source Award Under A Federal Supply Schedule  
Coordination Matrix

  
Date 7/16/12 Concur/Non-Concur  
Ronald J. Bakay  
Competition Manager  
Technology Acquisition Center (003B2)  
Office of Acquisition Operations  
Department of Veterans Affairs

  
Date 7/16/2012 Concur/Non-Concur  
Anne Marie Vasconcelos  
Director (Acting), Procurement Services B  
Technology Acquisition Center (003B2B)  
Office of Acquisition Operations  
Department of Veterans Affairs

  
Date 7.17.2012 Concur/Non-Concur  
Michele R. Foster  
Deputy Associate Executive Director  
Technology Acquisition Center (003B2)  
Office of Acquisition Operations  
Department of Veterans Affairs

Date Concur/Non-Concur  
Wendy J. McCutcheon  
Associate Executive Director  
Technology Acquisition Center (003B2)  
Office of Acquisition Operations  
Department of Veterans Affairs