

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: This proposed action is for a firm-fixed-price Delivery Order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Government Wide Acquisition Contract (GWAC) for the renewal of brand name Cyxtera Colocation Services and Cyxtera Fiber Interconnect services at the Cyxtera datacenter colocation facilities in Chicago, IL and Sterling, VA.
3. Description of the Supplies or Services: VA, Office of Information and Technology, Information Technology Operations Solutions Delivery requires the renewal of brand name Cyxtera Colocation Services and Cyxtera Fiber Interconnect services in support of VA's Tapeless Backup Encryption effort. The required Colocation Services include datacenter colocation cages that will be renewed under this proposed action, at the Cyxtera datacenters located in Chicago, IL (ORD1) and Sterling, VA (IAD2). The systems within these cages are currently configured and communicate with the existing cages via four point-to-point fiber interconnects. Colocation services include space, power, cooling and interconnection with existing hardware and cages currently located at these data centers. The four point-to-point fiber interconnect services provide the required latency at each of these two datacenters. These interconnect services support the 100GBASE-LR4 standard required to meet the VAs latency and throughput requirements. The renewal of the Cyxtera colocation and fiber interconnect services will provide the continued support of installed storage hardware necessary to maintain VA's compliance with VA Security Directive 6500, National Institute of Standards and Technology special publications 800-34 and 800-53, and VA Continuous Readiness in Information Security Program. Specifically, this procurement will continue to provide VA with a standardized backup infrastructure protected by 256-bit Advanced Encryption Standard encryption using Federal Information Processing Standard 140-2 validated cryptographic libraries for the VistA electronic health record system. The period of performance for this effort will be a 12-month base period with three 12-month option periods. The option periods will provide for the continuation of Cyxtera Colocation Services and Cyxtera Fiber Interconnect services for these cages, and correspond with the period of performance of the already existing Cyxtera cages currently under contract and being leased at the Cyxtera datacenters until 2023. The total estimated value for this proposed action is [REDACTED] inclusive of the three option periods.
4. Statutory Authority: Pursuant to Federal Acquisition Regulation (FAR) Subpart 16.505(a)(4), the following brand name requirement is being justified and approved as an exception to fair opportunity under the statutory authority of Section 41 U.S.C. 4106(c)(2) as implemented by 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 justification, it was determined that limited competition is viable among authorized resellers for brand-name Cyxtera for colocation and fiber interconnection services. VA Office of Information & Technology, Information Technology Operations Solutions Delivery currently leases datacenter colocation space at Cyxtera datacenters in Chicago, IL and Sterling, VA to support data backup server, storage appliances, and related network hardware. VA requires continued colocation services and fiber interconnect services in support of the installed storage hardware to meet expanding data backup needs. The cages that will be renewed under this procurement must be able to communicate with the existing brand-name Cyxtera cages located in the Chicago Cyxtera ORD1 Cage (700.AF.115) and Sterling Cyxtera IAD2 Cage (2.53_ZZDC6_1). These existing cages and the facility are currently under contract and being leased until 2023. Latency-sensitive operations performed between the servers and storage hardware, such as database queries and insertions, require connectivity with less than three (3) milliseconds of total round-trip latency, thus requiring the currently hosted datacenter cage to be located sufficiently close to the existing hardware to permit unrouted point-to-point connectivity. Due to this limitation, the cage space must be located within the same datacenter as the existing VA managed Cyxtera cage space. Use of other datacenters for the aforementioned space, cooling and powering of VA’s equipment through a different brand name cage would require creating an entirely new backup infrastructure to include enterprise storage systems, servers, and network switches. This would result in extensive delivery delays and duplicated costs that would not be recovered through competition. As a result, only brand name Cyxtera datacenter space and fiber interconnection services can meet the Government’s need. No other fiber interconnection services within these datacenters meet the Government’s proximity requirements. If VA were to utilize any other fiber interconnection or datacenter colocation services, it would not operate in the current infrastructure due to latency constraints. Specifically, VA’s proximity requirements require cages to be installed at the same facility as the existing cages. Use of any other brand name cage cannot be installed at the Chicago and Sterling Cyxtera facility due to Cyxtera’s prohibition of not allowing other brand name cages or non-Cyxtera resellers access to their facilities.

Further, if the renewal of the Cyxtera Colocation Services and Cyxtera Fiber Interconnects were not to be purchased, VA would be required to stand up a distinct secondary storage and computer server environment at each location. Adoption of a second datacenter colocation provider would require the Government to purchase substantial additional hardware assets including servers, disk drives, disk shelves, controllers, network adapters, flash-based caching media, network switches, transceivers, routers, and ancillary components. This additional hardware would further require additional space, power, and cooling to operate redundant equipment in space provided by both datacenter providers simultaneously to maintain uptime operability with the current environment. The estimated cost is approximately \$9M to stand up a

distinct secondary storage and computer server environment at each location, and relocation services of all the existing equipment. In addition, only Cyxtera or an authorized reseller can provide the aforementioned Cyxtera Fiber Interconnect services. Access to Cyxtera's proprietary code is required to ensure all the services provided are properly configured.

If VA were required to relocate equipment from the two existing datacenters to another location, the backup infrastructure would experience significant downtime and degradation to the current environment. The Department would be unable to satisfy the Office of the Inspector General/Congressional commitments, Plan of Action 22, to eliminate unencrypted backups throughout the enterprise. Moreover, existing backup infrastructure in approximately 260 facilities would be unusable during the migration, constituting a violation of VA 6500 and the authorities to operate at those facilities. It is not anticipated these additional expenses would be recovered through competition.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section 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 of the required Cyxtera datacenter services. In accordance with FAR 5.301 and 16.505(b)(2), the award notice for this action will be synopsisized on the Federal Business Opportunities Page and this justification will be made publicly available within 14 days of award.

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. In addition, VA-provided hardware has a product lifecycle of approximately five (5) years, which is estimated to expire in 2023. At the end of this lifecycle, the Government will determine if new equipment can be placed at an openly competed datacenter location.

8. Market Research: VA storage commodity Subject Matter Experts regularly review industry trade publications and conduct Internet research to ascertain if any other colocation services and interconnect services are available to meet the Government's needs. In June 2019, these experts determined additional providers, including Level 3, Cogent, and Equinix, were capable of meeting the Government's security, power, space, and cooling needs, but only Cyxtera was capable of meeting the Government's proximity requirements. The Government's technical experts determined, as described in section 5 above, the storage, server, and switch hardware provided by the Government must be located within close physical proximity to the existing storage, server, and switch hardware already installed at the Cyxtera datacenters in order to permit unrouted connectivity between cages and ensure end-to-end latency remains below three (3) milliseconds. Based on all of these market research efforts, the Government's technical experts have determined that only brand name Cyxtera datacenter colocation and fiber interconnect services can meet all of the Department's needs.

Additional market research was conducted via a request for information posted to the NASA SEWP GWAC on June 18th, 2019, and responses were received from two (2) potential offerors. Both potential offerors were Vendor Information Pages registered and verified Service Disabled Veteran-Owned Small Businesses. Both offerors were listed as capable potential providers in the market research report provided by the government technical experts. Based on the analysis of the responses, there is a reasonable expectation that limited competition exists on the NASA SEWP V GWAC for the required brand name Cyxtera services.

9. Other Facts: None.

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[REDACTED]

Approval

In my role as procuring activity Advocate for Competition, based on the foregoing justification, I hereby approve the acquisition of brand name Cyxtera Colocation Services and Cyxtera Fiber Interconnect services for the Tapeless Backup Encryption effort on an other than fair opportunity basis pursuant to the authority cited in paragraph 4 above, subject to availability of funds, and provided that the property herein described have otherwise been authorized for acquisition.

Date: _____

Signature: _____

Ronald J. Bakay
Advocate for Competition
Technology Acquisition Center
Office of Procurement Acquisition and
Logistics