

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 the award of a firm-fixed-price delivery order issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for Palo Alto Networks firewalls security equipment with associated 3-year commercial premium support and 3-year commercial threat prevention subscription with the products as well as Small Form Factor Plug-able (SFP) network interface adapters.

3. Description of the Supplies or Services: VA, Office of Electronic Health Record Modernization (OEHRM) requires brand name Palo Alto Networks firewall security equipment with associated 3-year commercial premium hardware support, which includes 24x7x365 email and phone support, failed hardware replacement within next business day, and 1-hour response time from critical issues. Critical issues are defined as firewall down, customer production environment is degrading, and no workaround is available. VA OEHRM also requires the associated 3-year commercial threat prevention subscription with the products, which includes Intrusion Prevention, Malware Detection, Secure Socket Layer Decryption, File Blocking and correlation. VA OEHRM also requires brand name Palo Alto SFP network interface adapters which allow the connecting of fiber cables to the firewall devices, allowing them to be interconnected with other networking equipment. OEHRM is securely connecting VA Medical Centers (VAMC) and clinics to the Cerner data center where the Electronic Health Record (EHR) solution is being hosted. The hosting environment is jointly managed by the Department of Defense (DoD) and VA. The Palo Alto Networks firewalls, premium support and threat prevention subscription shall be used to support the migration of Veterans Integrated Service Network 20 sites from the Veterans Health Information Systems and Technology Architecture to the new EHR. [REDACTED]

4. Statutory Authority: Pursuant to Federal Acquisition Regulation (FAR) 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 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 document, it is determined that limited competition is viable among authorized resellers for the brand name Palo Alto products. VA requires Palo Alto firewall products that ensures compatibility and interoperability with the

existing DoD Medical Enclave Community of Interest Network (MedCOI) firewall equipment, management system and Electronic Health Record Modernization (EHRM) requirements.

The brand name Palo Alto firewall security equipment with associated support and subscription, and the SFP network interface adapters are required to connect with existing Palo Alto firewalls at VA and DoD. The firewalls currently deployed at 3 VAMCs, 20 VA clinics, both the primary and backup Cerner data centers, and all DoD sites currently use Palo Alto firewalls. All firewalls are jointly managed by VA and DoD network operations and information security personnel using an existing Palo Alto Panorama management system. Without connectivity to DoD MedCOI, and thus the Cerner data centers, VA personnel and systems at those locations will not be able to access the new EHR and VA will be unable to meet the Congressional mandate to transition to a commercial EHR.

The current firewall infrastructure in place for all VA EHRM sites utilizes only Palo Alto firewall brand products for access to DoD MedCOI. Palo Alto has proprietary communication protocols, configuration language and software which can only be used with other Palo Alto firewall products. Because these protocols and software are proprietary, no other source can create a switch which will operate in the existing network infrastructure.

Palo Alto's Panorama software provides an integrated platform for managing firewall configuration, error reporting and performance. Panorama uses Palo Alto's proprietary configuration language to manage all Palo Alto devices ensuring that each device is configured consistently and correctly. As each firewall can require hundreds of rules to properly allow and restrict traffic it is critical to both the security and availability of network connectivity that the firewalls are configured consistently. Panorama allows network and security engineers to prepare, deploy, compare and validate firewall configurations across all firewalls. Since Palo Alto firewalls use a proprietary configuration language, only Palo Alto's Panorama can perform this function. Since the DoD is currently using Palo Alto firewalls and Panorama, VA cannot use any other firewall products for ensuring interoperability with the DoD.

Performance and risk to the network are also a factor in that the Palo Alto switches allow computers/networked equipment to talk to the EHR. Non-proprietary Palo Alto firewall products could cause inoperability among existing VA sites using Cerner and cause a total loss of access to patient health records, therefore, only Palo Alto or an authorized reseller can provide the necessary products for VA connections to DoD MedCOI. No other firewall products can meet VA's unique firewall requirements.

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 VA's unique firewall requirements. However, the undersigned VA technical representative determined that limited competition is available among authorized resellers for brand name Palo Alto firewall products and associated premium and threat prevention support. 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: 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 experts conducted market research in August 2019, which consisted of a review of similar products, including Hewlett Packard Enterprise/Aruba, Checkpoint and Juniper. While other firewall security equipment solutions from alternative manufacturers exist, they do not meet VA's unique firewall requirements as outlined in Section 5 of this justification because only Palo Alto, or an authorized reseller, has access to the current hardware and software (Panorama) that communicates through a source code based on Palo Alto proprietary data currently in place in VA, DoD and Cerner locations supporting the EHR. In addition, VA technical experts regularly review industry trade publications and conduct internet research to ascertain if any other brand name equipment is available. As a result of the market research, it was determined that no other firewall security equipment was found to be compatible and interoperable with the existing Palo Alto firewalls and Panorama management system. Based on this market research, VA technical experts have determined that only Palo Alto brand name firewall security equipment can meet all the VA's needs.

Additional market research was also conducted in August 2019 by releasing a Request for Information using NASA SEWP V GWAC to determine what vendors are capable of providing the Palo Alto firewall security equipment. Four responses were received, therefore, there is limited competition anticipated for the Palo Alto firewall security equipment, network adapters and associated commercial premium and threat prevention support with the products. Further market research was conducted in September 2019 by utilizing the NASA SEWP V GWAC Provider Lookup tool. There are 92 contract holders listed that provide Palo Alto products and services. Therefore, limited competition is anticipated.

9. Other Facts: None.