

JUSTIFICATION AND APPROVAL  
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs  
Office of Acquisition Operations  
Technology Acquisition Center  
1701 Directors Blvd., Suite 600  
Austin, TX 78744
2. Description of Action: The proposed action is for a firm-fixed-price (FFP) Delivery Order (DO) issued under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) IV Government-Wide Acquisition Contract (GWAC) to acquire an NEC brand Private Branch Exchange (PBX) device, corresponding phones and peripheral devices, Internet Protocol (IP) software licenses, voice messaging system, installation of the voice messaging system, and 12-month hardware and software warranties. The hardware and software shall be delivered 30 days after award of the DO.
3. Description of Supplies or Services: The proposed action will provide a Private Branch Exchange (PBX) device, corresponding phones and peripheral devices, IP software licenses, voice messaging system, installation of the voice messaging system, and associated warranties to upgrade and expand the telephonic network capabilities of Veterans Integrated Service Network (VISN) 12. There are over 65 physical locations within VISN 12, including seven hospitals in the Chicago and Wisconsin areas, related Community-Based Outpatient Clinics (CBOC), VA leased space, and Veterans' Centers associated with the seven hospitals. All of these sites are part of an interconnected VA-owned telecommunications system. The Milo C. Huempfer CBOC is currently under construction for VISN 12, resulting in an expansion of personnel and an increase in demand for telecommunications. This CBOC requires upgrading and expanding the current telephonic network capabilities to ensure that telecommunications remain operational and do not endanger patient care. This CBOC will initially house 300 VA personnel, and serve 20,000 Veterans per year. Telephone communications are necessary for Veterans making appointments, refilling prescriptions, and getting general medical treatment advice. VA's upgraded and expanded system shall have the ability to access the current PBX Systems using proprietary data. This will provide interoperability among VISN 12 telecommunications systems, which will allow callers to seamlessly transfer from site to site within VISN 12 and allow VA's call center agents to provide the best possible customer service. The 12-month warranty will allow for the remedy of hardware and software defects and will enhance and optimize the software; it will include all new fixes, patches, corrections, releases, updates, versions, and upgrades to the software to ensure the hardware and software remain operational. The total estimated value of the proposed action 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 "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. This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. NEC brand name hardware and software are the only telecommunication devices that can continue to build upon VISN 12's existing NEC-based telecommunications infrastructure. The telephonic devices currently implemented within VISN 12 are manufactured by NEC and run NEC's proprietary NEC Fusion Network, which has been proven to be compatible with VA's existing telephonic environment. The telecommunication system integrates with the NEC Fusion network to use automatic call distributor processor (ACDP) from an alternate node for automatic call distributor (ACD) purposes. The telecommunication system shares ACD data memory among all of the sites within the Fusion network, allowing the callers to transfer from site to site within VISN 12. The Fusion network requires compatibility with the Network Control Node (NCN) which currently runs NEC's R25e software. Additionally, all ACD data is monitored by VA's Global Navigator system, which allows for call statistics, advanced routing abilities, and provides data used for staffing purposes. No other brand name telecommunications device is capable of integrating with the currently fielded NEC brand name telecommunication equipment, NEC Fusion Network, and VA's Global Navigator system. Specifically, VISN 12's current telecommunications system communicates through a source code that is based on NEC's proprietary data. No other PBX can provide this communication capability without this source code. Without this interoperability, the devices may not efficiently perform their intended functions, which may cause network delays and interoperability issues, leading to work stoppages and erosion in supporting VA's overall mission to serve Veterans. Existing VISN 12 NEC brand name infrastructure includes ownership of 65 NEC brand name telecommunication PBXs and corresponding hardware and software associated with those PBXs. VISN 12 has a significant investment in its telecommunication systems, which are installed and operational, and VA currently does not plan to replace this configuration. The brand name telecommunication equipment is currently the only product compatible with VISN 12's current telecommunication infrastructure; and thus, the only commercial product available to meet the Government's requirement.
6. Efforts to Obtain Competition: The Government's technical team conducted market research, the 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. There is limited competition anticipated for this acquisition. In accordance with FAR 5.301 and 16.505(b)(2), 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: In order to remove or overcome barriers to competition in future acquisitions for this requirement, the agency will work with the

program office to perform additional market research to ascertain if there are changes in the marketplace that would enable future actions to be competed.

8. Market Research: The Government's technical experts conducted market research in December 2012 by reviewing similar telecommunications equipment. Similar equipment reviewed included the AVAYA 2100 system and Siemen's HiPath system. Based on reviews of these products, the Government's technical experts determined that none of these products can meet the Government's interoperability and compatibility requirements previously discussed. Specifically, these other brand name telecommunications equipment cannot provide the required interoperability with NEC's R25e software. Based on the market research, the technical experts concluded that the identified NEC telecommunications equipment products are the only commercially available products compatible with VISN 12's existing telecommunications infrastructure.
9. Other Facts: None.