

JUSTIFICATION AND APPROVAL  
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs  
Office of Acquisition and Logistics  
Technology Acquisition Center  
260 Industrial Way West  
Eatontown, NJ 07724
  
2. Description of Action: This proposed action is for a firm-fixed-price (FFP) Delivery Order (DO) for additional Hewlett Packard (HP) Blade Server hardware with extended warranty and memory modules replacements for existing HP Blade Servers. The requirement will be competed among HP value added resellers under the National Aeronautics and Space Administration (NASA) Solutions for Enterprise-Wide Procurement (SEWP) Government Wide Acquisition Contract (GWAC).
  
3. Description of Supplies: The Department of Veterans Affairs (VA), Office of Information & Technology (OIT), Region 5 Release Management Service (RMS), has a requirement to increase the capacity of existing servers to host more terminal servers and virtual servers to remote users within the VA and other governmental agencies. To improve the performance and capacity of existing HP Blade Servers platforms, higher amounts of memory are warranted to enhance the capacity of the blade servers while utilizing hardware platform in place today at the three Data Centers that support VBA Domain users within the VA enterprise. The more memory per blade server allows for hosting more terminals and virtual servers. Currently, the blade servers have either 48GB or 96GB of memory per blade depending on model. The upgrade will double the RAM and provide 96GB to 192GB of memory per blade respectively. Memory is sold as Dynamic Inline Memory Modules (DIMM) sticks in various sizes; such as, 4 Gigabit (GB), 8GB, 16GB, and 32GB.

The additional Blade Servers would fill the six open bays in an existing HP Blade Chassis that currently has ten blade servers. Each Blade Chassis provides the technology infrastructure that supports up to 16 blade servers by utilizing shared component resources in the chassis backplane, such as networking, switching, and power supplies. Blade Servers cannot function without the blade chassis; likewise, the blade chassis cannot function without blade servers. Blade Server hardware is proprietary to each manufacturer. The blade hardware components (chassis and servers) will only function and interoperate within the same original equipment manufacturer.

4. Statutory Authority: The statutory authority permitting this exception to fair opportunity is 41 U.S.C. 4106(c) as implemented by 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 are unique to highly specialized."
5. Reason for Authority Cited: Based on extensive market research, as described in paragraph eight (8) of this document, it was determined that limited competition is available for this brand name item. HP Blade Systems are uniquely integrated into VA Region 5's environment. Blade servers and blade chassis cannot function without one another, and blade server hardware is proprietary to each manufacturer. Therefore, HP blade hardware components (chassis and servers) will not function or interoperate with any other brand. These HP servers and chassis provide for disaster recovery and Continuity of Operations between the three VA Data Centers that support VBA for our Terminal Server Farms and Virtualization Platforms. Currently, servers have either 48GB or 96GB of memory per blade depending on model. The upgrade will double the RAM and provide 96GB to 192GB of memory per blade respectively. The upgrades are needed in order ensure the servers have enough memory and capacity for the VA Data Centers to function seamlessly. Furthermore, it would not be cost effective to abandon use of the HP technology platform prior to its expected useful hardware life cycle.
6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. Competition is anticipated for the required brand name items and services.
7. Actions to Increase Competition: VA will continually explore future changes in hardware and software in order to allow for maximum competition among manufacturers at the end of the current systems expected five year useful life cycle.
8. Market Research: Market Research was conducted in March 2013 utilizing the NASA SEWP IV Manufacturer Lookup tool and it was determined that 33 authorized resellers of HP products are current contract holders. An additional six vendors are current contract holders. There are seven Group A vendors, of which six are authorized HP resellers; six Group B, of which four are authorized HP resellers; ten Group C vendors, of which nine are authorized HP resellers; 13 Group D vendors of which all are authorized HP resellers; and three Group E vendors, of which one is an authorized HP reseller.
9. Any other facts supporting the use of other than full and open competition:  
None