

## **DEPARTMENT OF VETERANS AFFAIRS**

### **Justification and Approval For Other Than Full and Open Competition**

#### **1. Contracting Activity:**

The Department of Veterans Affairs, Network 23 Contracting Office, Sioux Falls , for the VA Health Care System, 2501 W 22<sup>nd</sup> Street, Sioux Falls, SD 57105 intends to enter into an other than full and open competition contract for the Sioux Falls VA as outline in this document.

#### **2. Nature and/or Description of the Action Being Processed:**

An IDQ contract is being requested for a Base year and one option year renewal with SDN Communications. The contract is requested to continue the service of SDN to provide existing high speed Metro Ethernet data communications circuits between Sioux Falls HCS as the primary location and Community Based Outpatient Clinic (CBOC)s, Vet Centers, Annex Location, as well as add additional network bandwidth via new Metro Ethernet circuits to any new CBOCs or off-site locations added during the contract period. Continued use of Metro Ethernet circuit installed between Black Hills HCS and the Sioux Falls HCS to provide for voice, video, and data network redundancy.

#### **3. Description of Supplies/Services Required to Meet the Agency's Needs:**

The data communication services from SDN for the period beginning September 1, 2013, through August 31, 2014, with one option year, are being required to meet the following agency needs:

- 1) Continue use of existing Metro Ethernet circuits connecting Sioux Falls HCS as the primary locations and Community Based Outpatient Clinics (CBOCs) located in Aberdeen, SD, Watertown, SD, Wagner, SD, Sioux City, IA, and Spirit Lake, IA as well as Vet Centers located in Sioux Falls, SD and Sioux City, IA, Sioux Falls HCS Annex location, Avera Medical Center and redundant back-up circuit between Sioux Falls HCS and Black Hills HCS. These circuits were procured while contracting regulations defined these services as a utility. As these are now defined as a service the need exists to continue to utilize these circuits due to the investment in equipment and software to utilize this service. These circuits are utilized to transmit voice, video, and data communications between the above listed locations and a loss of these circuits/services would severely impact the mission of the Sioux Falls HCS and would create an immediate and emergent negative impact on patient care to the point of not being able to carry out health care services.
- 2) SDN Communications provides network connectivity that provides the required network bandwidth capacity, is secure, redundant, and low cost. SDN Communications is able to provide 10 Mbps Metro Ethernet communications as required to meet VA Telehealth demands. The SDN Communications circuits do not require additional equipment to interface with the VA network. All other alternatives would require multiple circuits which becomes cost prohibitive for the agency. Also, additional communications equipment would need to be purchased to support these options, which again, is not cost advantageous to the agency. None of these other options provide circuit redundancy in the case of failure. It is estimated that any other solution would cost a minimum of \$15,000 in additional interface equipment (over \$100,000 combined) and would not provide the redundancy required to carry on operations in the event of carrier loss.

- 3) Existing backup circuit installed between the Sioux Falls HCS and Black Hills HCS would continue to be utilized. This circuit would provide adequate bandwidth to be used in the loss of primary data communications lines to either Health Care System. Since June 1, 2011, the Black Hills HCS has lost its primary data communications lines due to construction damaging the circuit which has a single point of failure. The SDN Communications network provides multiple circuit paths across the state of South Dakota and in the loss of the primary AT&T data circuit, the SDN circuit to Sioux Falls HCS would be utilized to provide no loss of communications services for the Black Hills HCS. This circuit would be utilized by the Sioux Falls HCS in the same way in the event of a primary network loss to that facility and would then access the VA network via Black Hills HCS. CBOCs from both Health Care Systems would be able to utilize this emergency backup network circuit as well.

**4. Statutory Authority Permitting Other than Full and Open Competition:**

Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;

**5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

SDN communications has a redundant data network across the state of South Dakota which allows for redundant communications circuit paths. The Sioux Falls HCS has utilized these highly specialized services and have had great success. To this point, they have received the voice, video, and data communications required, excellent customer service, and have shown a cost savings of almost 50% over any other proposed solution. Due to the rural location of CBOCs in South Dakota and Iowa, SDN Communications is the only communications provider that can meet the needs of the agency without substantial duplication of cost to the government that would not be recovered through competition. The VA cannot fulfill the agency's immediate requirements with any other vendor without unacceptable delays.

**6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:**

The two other vendors in SD were contacted about the VA's requirements. The solution that could be provided by one of the vendors would require installation of totally new circuits and infrastructure redesign that would require the purchase of more than \$15,000 of equipment for each location (over \$100,000 combined). Cost of these circuits is estimated to be 50-70% higher than the cost of existing services. Second vendor is unable to provide services to all VA locations requiring data communications. The previous solicitation and posting on FBO for this service provided no other vendor responses.

**7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:**

The requirement is to continue use of existing Metro Ethernet circuits connecting Sioux Falls HCS as the primary locations and Community Based Outpatient Clinics (CBOCs) located in Aberdeen, SD, Watertown, SD, Wagner, SD, Sioux City, IA, and Spirit Lake, IA as well as Vet Centers located in Sioux Falls, SD and Sioux City, IA, Sioux Falls HCS Annex location, Avera Medical Center and redundant back-up circuit between Sioux Falls HCS and Black Hills HCS. The estimated cost of this service is approximately \$16,500 per month; total estimated annual dollar value per year of \$198,000.00. When comparing the quality and quantity of required services the VA is receiving at multiple sites to the services that can be provided by any other vendor, the cost to the Government is fair and reasonable.

**8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:**

Market research was conducted with the two other vendors that provide some services in South Dakota that are similar in nature to those required by the VA. None were found to be able to supply the services to the VA without providing unacceptable delays or substantial and insupportable cost to the Government.

The Department of Veterans Affairs, Information Technology department is currently exploring the implementation of a nationwide contract to provide these services to all of VA sites. This is a difficult and extensive undertaking when examining the multiple providers throughout the United States, and there is no information available on a possible time-line for implementation.

**9. Any Other Facts Supporting the Use of Other than Full and Open Competition:**

The statement of work describes the minimum data requirements the VA must have to provide services throughout our geographical area, and without these abilities we would limit our capabilities to serve the rural population.

**10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**

None

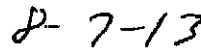
**11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:**

None, as the infrastructure of data communications is not under the control of the VA, and we rely on the services provided by vendors in our geographical area.

**12. Requirements Certification:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.



Eric Heiser  
Chief Information Office  
Sioux Falls VA Health Care System



Date

13. Approvals in accordance with FAR 6.304

- a. Contracting Officer's Certification (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Denise Hill

Denise Hill  
Contracting Officer, Sioux Falls  
Network 23 Contracting Office

8-21-13

Date

- b. NCM/PCM (Required \$3K and above): I certify the justification meets requirements for other than full and open competition.

Lori Fischer

LORI FISCHER  
Services Product Line Contract Manager NCO 23

8-28-13

Date