

JUSTIFICATION AND APPROVAL
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
260 Industrial Way West
Eatontown, New Jersey 07724
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) for the purchase of NEC brand name private branch exchange (PBX) equipment, components, software licenses, and telecommunications peripheral equipment. This DO will enable VA to upgrade the existing brand name NEC telecommunications systems from the NEC 2400 Ultra Module Group (UMG) to the NEC SV8500 telecommunications system. The upgrade will also include installation, manufacturer's technical support, and software assurance for PBX NEC brand name SV8500 telecommunications systems. The period of performance for this action will be 12 months for software assurance and technical support, inclusive of software and hardware delivery 30 days after DO award and setup and installation 90 days after delivery order award.
3. Description of Supplies or Services: The proposed action is for brand name NEC PBX equipment, components, software licenses, and telecommunications peripheral equipment in order to upgrade existing brand name NEC telecommunications systems. The upgrade will also include installation, technical support, and software assurance for PBX NEC brand name SV8500 telecommunications systems. This acquisition is in direct support of VA, Office of Information and Technology (OIT), PBX Critical Sustainment Initiative. This Initiative has identified existing PBX systems as a critical risk to the Veterans Health Administration (VHA) daily operations. Specifically, the NEC PBX telecommunications systems that require the aforementioned upgrades are located at four Veterans Affairs Medical Centers (VAMC) within Region 2. The four VAMCs address the PBX Critical Sustainment needs at VAMC in: Dallas, Texas; San Antonio, Texas; Temple, Texas; and Hines, Illinois. The locations chosen were based on critical need and serve the greatest number of Veterans within Veterans Integrated Service Network (VISN) 12 and 17. The four facilities have experienced a surge in the volume of patients. In addition, the continued demand placed on the infrastructure with the growth of key programs such as Telehealth, has increased the burden on the existing infrastructure. The existing infrastructure cannot support the increased demands without the required upgrades. The aforementioned upgrades would enable these four locations to remain operational and handle the increased patient load and increased demands and prevent the network infrastructure from failing. The upgrades will also provide improved integration into the existing communications platform; add enhancements to improve overall quality through the delivery of software fixes; provide a new

upgrade application tool; a new System Health Check capability to provide diagnostics for in service systems; and enhanced system troubleshooting/recovery capabilities for existing system functionalities. The Contractor shall provide installation and manufacturer's technical support for the aforementioned brand name NEC telecommunications systems. This will include access to remote technical assistance for issues associated with the operation and maintenance of NEC solutions. The 12 month technical support will allow for remedying hardware and software defects as well as enhancing and optimizing software. It includes all new fixes, patches, corrections, releases, updates, versions, and upgrades to the software. The total estimated value of the proposed action is ~~XXXXXX~~

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), as modified per FAR 16.505(a)(4)(ii). An exception to fair opportunity is allowed where only one manufacturer is capable of providing the supplies or services required at the level of quality required because the supplies ordered are unique or highly specialized.

5. Rationale Supporting Use of Authority Cited Above: Based on market research as described in paragraph eight of this document, it was determined that limited competition is viable among authorized resellers for brand name NEC PBX equipment, components, software licenses, and telecommunications peripheral equipment. This is a brand name justification in support of FAR 11.105, Items Peculiar to One Manufacturer. NEC is the only brand name item which will allow for upgrading the existing NEC telecommunications systems at the four identified locations. The locations were chosen based on critical need. The existing telecommunications systems consist of only NEC brand name equipment. All locations designated to receive upgrades have their telecommunications network built with systems that are interconnected to one another. This is accomplished by use of the NEC proprietary Common Channel Interoffice Signaling (CCIS) feature. This capability allows two or more NEC telecommunications systems to be networked together providing feature transparency, ability to share system resources, and to centralize many important telecommunications functions such as attendant consoles, call accounting/billing systems, voice processing systems, management systems and trunk facilities. In addition, both existing and upgraded networks use NEC proprietary Global Navigator (GNAV) to manage their NEC Call Center Worx system (CCWX). GNAV allows for call activity tracking, reports, and real-time data routing of calls from high volume locations to low volume locations, to an agent at a remote location. No other PBX telecommunications system can provide full interoperability and compatibility, specifically, seamless and full communication capability without the NEC CCIS, the absence of which would result in device inoperability. Without device interoperability, the devices would not perform their intended functions, which would cause voice network delays and issues, leading to work stoppages and an erosion of patient care, jeopardizing VA's ability to serve Veterans. In order to maintain interoperability and compatibility, the telecommunications hardware/services must be fully compatible with the existing infrastructure. The brand name NEC telecommunication systems equipment and services are the only products that ensure full interoperability and compatibility with the current telecommunication infrastructure and thus are the only commercial

products available to meet the Government's requirement. Telecommunication voice and data services are considered mission critical to VAMCs. In the event the NEC PBX telecommunications systems were to become inoperable, it would pose a significant risk to the facilities that support the VAMCs, rendering them unable to communicate and fully perform their business and mission.

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 for this brand name item. 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: The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be fully competed. The four locations represent all VAMCs within VISN 12 and 17 that require the upgrade because the four locations service the greatest number of Veterans within VISN 12 and 17. Given no other PBX telecommunications system can provide seamless and full communication capability without the Siemens' proprietary source code, the requirements cannot be modified in order to allow for competition.

8. Market Research: Market research was conducted during the third quarter of Fiscal Year (FY) 2013 by researching other items and services similar to the aforementioned NEC brand name PBX equipment, components, software licenses, telecommunications peripheral equipment, installation, and manufacturer's technical support. Avaya and Siemens were the only brand names with similar capabilities, however, neither could satisfy VA requirements to integrate with the existing NEC telecommunication systems. Specifically, Avaya and Siemens brand name equipment, components, software licenses, and telecommunications peripheral equipment are not able to integrate with the currently fielded NEC PBX brand name telecommunications systems and infrastructure. Specifically, the current telecommunication systems communicate through a source code that is based on NEC proprietary data. No other PBX can provide seamless and full communication capability without the NEC proprietary source code. The absence of this proprietary source code would result in device inoperability. Without device interoperability, the devices would not perform their intended functions, which would cause voice network delays and issues, leading to work stoppages and an erosion of patient care jeopardizing VA's ability to serve Veterans. The project technical team reviewed NEC system specifications on the NEC website to assess the availability of products to expand the capacity of the existing system. The team determined that in order to ensure interoperability with the existing system and to ensure that system performance would not be negatively impacted, it is necessary to use NEC brand name equipment, components, software licenses, and telecommunications peripheral equipment to ensure daily operations are not interrupted. Based on this finding, the team utilized the NASA SEWP manufacturer lookup tool to determine availability using this contract vehicle. Additional market research was conducted in fourth quarter of FY 2013 utilizing the NASA SEWP IV GWAC Manufacturer Lookup

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tool. Utilizing the Product Verification Tool via NASA SEWP IV GWAC, it was discovered that there are 33 resellers of the aforementioned, brand name NEC equipment, components, and software upgrades. Therefore, limited competition is anticipated.

9. Other Facts: None.