

# Memorandum

In Reply Refer To: VA101-13-R-0097

April 24, 2013

Stella Fiotes, Competition Advocate  
Executive Director, Construction Facilities Management  
Department of Veterans Affairs  
425 I Street, NW  
Room 6W, 104  
Washington DC, 20001

SUBJECT: Sole Source (Veterans First Program) Request – Demolition of Building #2 and Construct New Patient Parking, Solicitation No. VA101-13-R-0097, Palo Alto, CA 94304

Dear Ms. Fiotes:

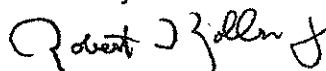
The VA Palo Alto Healthcare System is currently under heavy construction with patient parking being impacted. In the next several months CFM will be managing 8 major projects in construction worth over \$450,000,000 not included station level Minors and NRM projects. The resultant construction will impede patient access and reduce availability of safe patient parking by 720 spaces.

We are sending forward the attached urgent and compelling sole source for your approval to be processed under the Veteran First Program in an effort to expedite the demolition of building 2 and construct 150 new patient parking spaces. The following are a few main points to consider.

- The addition of 150 new parking spaces to the VA Palo Alto will promote continuity of services to Veterans including safe patient parking.
- If the additional parking spaces are not provided the VA Palo Alto will not allow access to area's targeted for. As a result, Contractors who receive award for upcoming projects will not be given timely access to construction sites. This will cause schedule and costs impacts to those projects which at this time are not measurable.
- The VA Palo Alto has had similar experience already. On one of their large major projects. For instance, a notice to proceed was issued before additional patient parking could be provided. The VA Palo Alto upon realizing the impact to patients refused to allow construction to begin on their new 80 bed care facility, building 520. This delay caused schedule impacts and winterization claim that costs over \$3 million dollars.

Thank you for your consideration to expedite this request under the Veterans First program. Should you have any question please call Chris Kyrgos (202) 309-2903 or me, Robert Kolln Jr. (202) 256-4508.

Sincerely

  
Robert Kolln Jr.  
Contract Officer

cc VA101-13-R-0097

**“Justification for Other than Full and Open Competition”  
VAAR 819.7007 Sole Source Awards to Service-Disabled Veteran  
Owned Small Business Concerns/FAR 6.302-2: Unusual and  
Compelling Urgency/FAR 6.302-5: Authorized or Required By Statue**

**1. Agency and Contracting Activity Identification:** Sole Source Justification Department of Veterans Affairs, Office of Construction and Facilities Management, Western Regional, 3801 Maranda Ave, Palo Alto, CA 94304.

**2. Nature of Acquisition Being Approved:** The acquisitions being approved is a sole source to Service-Disabled Veteran-Owned Small Business (SDVOSB) for a construction project pertaining to the demolition of building 2 and construction of additional patient parking. The Place of performance is the VA Palo Alto Healthcare System, Palo Alto, CA 94304.

**3. Description of Requirement:** The construction requirements are to demolish building 2 and construct 150 new patient parking spaces. Work will include asbestos removal, demolishing of building 2, site utilities, excavation, Drainage, paving installation of lighting and landscaping. All physical security measures as applied to the existing hospital shall be incorporated into construction of patient parking area and site modifications.

The government estimate for the above SDVOSB sole source construction project is approximately \$3,567,023.24.

**4. Statutory Authority Permitting Other Than Full and Open Competition:** VAAR 819.7007: Sole source awards to service-disabled veteran-owned small business concerns, FAR 6.302-2: Unusual and Compelling Urgency (10 USC 2304(c) (2) or 41 USC 253 (c) (2)) and FAR 6.302-5: Authorized or Required By Statue (10 USC 2304(c) (5) or 41 USC 253 (c) (5))

**5. The Nature of the Acquisition Requires Use of the Authority Cited:** Multiple construction projects being executed on the VA Palo Alto Healthcare System, Palo Alto CA will directly impact patient care.

During the next two in half years over half of the VA Palo Alto Healthcare System campus will be under construction. CFM will be managing 8 major projects in construction worth over \$450,000,000 not included station level Minors and NRM projects. The resultant construction will impede patient access and reduce availability of safe patient parking by 720 spaces.

To understand the need for additional parking one must take into account how the VA Palo Alto Healthcare System Parking is laid out. The campus main loop road and parking is laid out in a circle that encompasses the entire VA Palo Alto Campus. Current construction under Palo Alto Phase 1 has closed off the Northeast corner of the campus except for emergency vehicles. Buildings under construction are the new poly trauma building, blind rehab, parking garage 1 and the new transformer building. Construction is expected to be completed in 2014. Palo Alto Phase 2 is expected to be

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awarded by the end of July 2013. Construction under Palo Alto Phase 2 will close off almost all of the southeast part of the campus through various phases of construction. Buildings that will be under construction include a new addition to radiology wing, parking garage 2, new research building and the new loop road. The new loop road will affect the whole eastern side of the campus as it replaces the current loop road. Palo Alto Phase II will be in construction through 2017. In addition, another major is expected to be awarded in July 2013 to construct a new recreational therapy building which is located between the new poly trauma building and the building 101. The contractor's constructing this building will need to have access through new parking garage 1 and building 4 which is located next to the new poly trauma building. All buildings being constructed range from 20,000 to 110,000 GSF in size. The above projects do not include current nor ongoing station level Minor and NRM projects in construction.

Phasing will be the most critical part of maintaining services to Veterans and their families during construction. It is estimated that 600 spaces will be added when parking garage 1 is finished in August 2013. However, there will be difficulties giving patients and VA personnel access because they will have to travel through fenced off heavy construction zone to access the new parking. In addition, the medical center has notified us that they will not release parking area to be under construction in the south east section of the campus were Palo Alto Phase 2 is located unless we provide additional parking that is to be located in the northwest corner of the campus. The addition parking will be provided under the contract awarded under this sole source. Delay in not awarding this project will result in cost impacts to Palo Alto Phase 2 because of schedule impacts (the medical center will not give up parking in the southeast part of the campus until additional parking is provided).

The VA requires this project be sole sourced to one contractor to save advertising time, time delays caused by protest, reduce impact caused by the difficulty of phasing and reduce delays caused by impacts to project scheduling. By fast tracking this solicitation under the provisions provided under Public Law 109-461 CFM will be able to provide 150 additional parking spaces that will help reduce the impacts caused by ongoing construction which in the long run represents better care to Veterans and cost savings running into thousands and possibly millions of dollars.

The need for this requirement is considered to be urgent and compelling; because of the importance of maintain patient care and safety and substantial increase of cost that will occur by caused delays to the schedule if this requirement is not awarded immediately. It is therefore determined to be in the best interest of the Government to expedite award of this contract under sole source provision provided under Public Law 109-461.

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**6. A Description of Efforts Made to Ensure That Offers Are Solicited From as Many Potential Sources As Is Practicable and Whether a Notice Was or Will Be Publicized.** A search was conducted on the Vetbiz website; multiple (over 30) contractors under NAICS code 236220 were identified in California to perform required services. After review the contract officer found one contractor that possessed the requirements to perform services, Kevcon Inc. located in Escondido CA an SDVOSB business. Kevcon has excellent past performance. They have a history of offering fair pricing on projects performed. Kevcon does not have excessive change orders on projects performed and pricing for changes made have appropriate price breakdowns as proscribed by VAAR 852.236-88 so that fair and reasonable price determinations can be made. The CO therefore, determines that Kevcon's profile identifies them as the only contractor who can perform service expeditious manner with little or no impact to the critical path of the project once award is made.

**Kevcon Project References:**

- Portland VA Medical Center Vancouver Campus, Vancouver WA, 20,000 square foot clinic with dental, outpatient, prosthetics and eye exams clinics. RE, COR, John Carrier, 503-220-8262 ext 55222
- VA Roseburg Healthcare System, Roseburg OR, Design Build, 7,000 square foot dental clinic. RE, COR, Garth Stacey, (541) 440-1000
- VA Roseburg Healthcare System, Operative Care renovation Building 5, 5<sup>th</sup> floor. RE, COR, Garth Stacey, (541) 440-1000

A notice will be publicized under FAR Part 5 that a sole source requirement is being processed for this requirement.

**7. Anticipated Cost to the Government:** The Contracting Officer shall make a determination to deem the anticipated cost to the government as fair and reasonable. The project to be issued under this requirement is non-complex; it is for the demolition of building 2 and construction of a new parking lot with landscaping. The contractor will be required to submit 5 price proposals from each subcontractor/discipline and the contract officer will require a detailed price break down that will be analyzed by the assigned SRE with comparison made to the government estimate.

The above SDVOSB sole source construction project is approximately \$3,567,023.24

**8. Results of Market Survey:** A market survey shows that there are adequate numbers of SDVOSB business that can execute this project listed on Vetbiz.

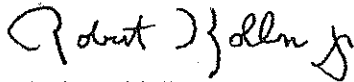
**9. Any Other Facts Supporting the Use of Other Than Full and Open Competition:** This sole source SDVOSB construction project is being procured under and Public Law 109-461 Veterans Benefit, Health Care, and Information Technology Act 2006.

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**10. Any Other Interested Sources?** No other interested sources are available as notice has not been issued that this requirement is being considered as a SDVOSB sole source. We do not want give false expectations to non-participating contractors. VAAR 819.7007(b) The contracting officer's determination whether to make a sole source award is a business decision wholly within the discretion of the contracting officer. A determination that only one SDVOSB concern is available to meet the requirement is not required.

**11. A Statement of the Actions, if any, the Agency May Take To Remove or Overcome Any Barriers to Competition Before Any Subsequent Acquisition is required:** The VA will attempt through planning to avoid future sole source requirements.

**12.** I hereby certify that the justification is accurate and complete to the best of my knowledge and belief.



Robert Kolln Jr.  
Contracting Officer  
Construction Facilities Management

04/24/2013

(Date)

  
Concur/Non-Concur

Chris Kyrgos  
Supervisory Contracting Officer  
Construction Facilities Management

4/25/13

(Date)

  
Approved/Disapproved

Stella Fiotes  
Competition Advocate  
Executive Director  
Construction Facilities Management

5/6/13

(Date)