

14-0036 NC02- Elevator Control Upgrade
D&F- EAST
Cancel Solicitation
KAN

DEPARTMENT OF VETERANS AFFAIRS
Network Contract Office 2, Buffalo NY
DETERMINATION AND FINDINGS

For

Solicitation VA528-13-B-0280

Project 528-13-S05, Elevator Control Upgrade at the VA Western New York Healthcare System
(VAWNYHS), Buffalo, New York

In accordance with FAR 1.7 Determination and Findings (herein after referred to as "D&F") this document sets forth enough facts and circumstances to clearly and convincingly justify the specific determination made to cancel Solicitation VA528-12-B-0280 as the bid prices submitted are not fair and reasonable as determined by VA Contracting Officer, under Federal Acquisition regulation 14.404-1(c)6.

FAR 1.704 Content of a Determinations and Findings:

(a) Agency: US Department of Veterans Affairs, Veterans Health Administration, Service Area Office East, Network Contract Office 2, 3495 Bailey Avenue, Buffalo, New York 14215.

(b) Nature and/or Description of the Action Being Approved: Cancel solicitation VA528-13-B-0280, Elevator Control Upgrade at VAWNYHS, Buffalo, New York without award of Solicitation VA 528-13-B-0280.

(c) Citation of the Appropriate Statute and/or Regulations Upon which the D&F is Based: Pursuant to the authority for Federal Acquisition Regulations 14, Sealed Bidding and Veterans Affairs Acquisition Regulations 814.1 Use of Sealed Bidding, and per FAR 14.404-1(c)6.

(d) Findings that Detail the Particular Circumstances, Facts or reasoning Essential to Support the Determination: Project No. 528-13-S05 was an in-house design. Four bids were received in response to solicitation VA528-13-B-0280. The low bid, including optional Contract Line Item Numbers (CLIN's), is \$1,016,000.00. The low bid price is approximately 65% higher than the project's cost estimate of \$615,489.79 and over the top of the disclosed cost range. Thus, the Contracting Officer recommends cancellation of the IFB in accordance with FAR 14.404-1(c)6 Cancellation of Invitations After Opening.

Exhibit A is a comparison of the Government cost estimate and all bidders prices to attempt to determine reasonableness of price per FAR 14.408-2. The Independent Government cost estimate was affirmed by both the Contracting Officer's Representative (COR) and Acting Facilities Manager.

A review of the solicitation documents and Amendment A00001 was conducted after the bid opening with the the Contracting Officer, COR and Acting Facilities Manager. It was discovered that the Government's answer to a contractor's request for information outlined in Amendment A00001 was inadvertently incorrect which resulted in bids being higher than the Government estimate.

The request for information is as follows: "Are we to just replace the DL405 units with upgraded software to the current code and leave all the existing controllers and drives in place to be reused? Or are we to replace the entire controllers with new Code compliant, non-proprietary controls?" The answer in Amendment A00001 is as follows: "Replace entire controllers with new code compliant, non-proprietary controls." The intent of the project was not to include drives; the answer to bidders was not worded correctly and gave the impression that drives were included in this solicitation.

The attached proposal breakdown from the low bidder, Andros Contracting, indicates in "Note 1" that they have included 12 drives in their bid price. The Government estimate does not include drives as it is not the intent of this project to replace elevator drives and the funding allotted to this project does not allow for this work.

Also attached is exhibit A, which provides a comparison of the Government estimate to all bidders.

The Invitation for Bid required that bidders provide pricing for elevator controls separate from door guards. Although all bidders' prices were high compared to the Government estimate for the controls, they were all low for the door guards. In addition to being clear that the controls do not include drives in a subsequent solicitation, the undersigned will recommend that additional information regarding the door guards be included because prices were low for this work item.

Chronology of Major Events:

1. Solicitation IFB VA528-13-B-0280, Elevator Control Upgrade, was issued on August 23, 2013 as a Service Disabled Veteran Owned Small Business (SDVOSB) set-aside for VAWNYHS, Buffalo, New York. The pre-solicitation notice was issued 15 days prior to issuing the solicitation.
2. Bids were opened on September 23, 2013 at a public bid opening.
3. Four bids were received. The following totals from bidders include three (3) optional items:
Andros Contracting: \$1,016,000.00
Serviam Construction: \$1,575,021.00
US Innovative Construction: \$1,699,880.00
Robert F. Hyland & Sons: \$1,755,550.00
4. The total Government Cost Estimate including all optional items for the procurement is \$615,489.79.

The Contracting Officer requested that Facilities Management confirm the Government estimate and review their design to make sure all items were included in the Government estimate. The Government estimate was confirmed.

The bid total of \$1,016,000.00 was verified by Andros Contracting. At the Contracting Officer's request, non-certified pricing data was received by the low bidder, Andros Construction Corporation. The price breakdown was evaluated in accordance with VAAR, FAR, agency policy and criteria shown in the solicitation. As indicated in item d above, a review of the price breakdown indicates that Andros Contracting has included 12 new pulse SCR drives in their bid price. This was not included in the Government's estimate and it is not the intent of this project to include drives. Amendment A00001 inadvertently included drives in this project.

On October 21, 2013 the COR and Acting Facilities Manager recommended award Project 528-13-S05, Elevator Control Upgrade NOT be made because the solicitation includes incorrect information resulting in the bid price not being fair and reasonable compared to the Government estimate. Both VA Facilities Management and the Contracting Officer agree that it is in the best interest of the Government to cancel the solicitation. An independent review of Statement of Work and Government estimate is being considered.

(e) A determination, based on the findings, that the proposed action is justified under the applicable statute or regulation.

In accordance with FAR 14.404-1(c)(6) Cancellation of Invitations After Opening and the findings in Paragraph (f) this action is justified.

(f) Expiration Date of the D&F If Required: There is no expiration date of this Determination and Findings and no expiration date is required per Federal Acquisition regulations 1.706.

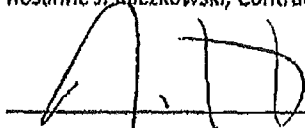
(g) The Signature of the Officials Authorized to Sign the D&F: Below are the signatures of the officials authorized to sign and approve this Determination and Findings and the date Signed.



Rosanne J. Raczkowski, Contracting Officer

11-4-2013

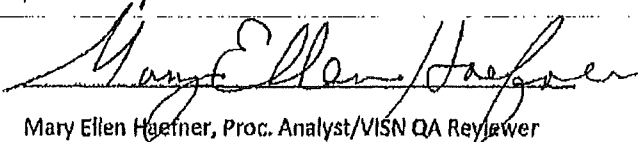
Date



Jason V. White, Supervisory Contracting Officer

11-4-13

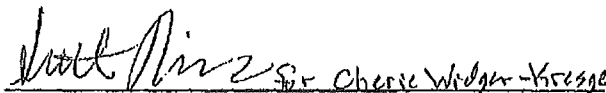
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Mary Ellen Haefner, Proc. Analyst/VISN QA Reviewer

11/4/13

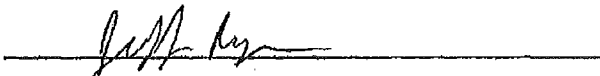
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Cherle Widger-Kresge, Network Contract Manager VISN 2 NCO

11/4/13

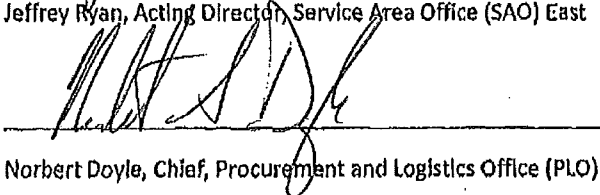
Date



Jeffrey Ryan, Acting Director, Service Area Office (SAO) East

11/18/13

Date



Norbert Doyle, Chief, Procurement and Logistics Office (PLO)

11/18/13

Date

ANDROS CONTRACTING
SOLICITATION NO. VA528-13-B-0280 Elevator Control Upgrade
PROPOSAL BREAKDOWN

	Cars 1-5	Cars 6-10
Elevator Controllers (Note 1)	300,000.00	297,000.00
Wiring	15,000.00	12,000.00
Car operating stations	75,000.00	65,000.00
Group controller	25,000.00	25,000.00
Door protection	5,000.00	5,000.00
Overhead	40,000.00	38,000.00
Profit	40,000.00	38,000.00
	<u>\$ 500,000.00</u>	<u>\$ 480,000.00</u>

Note 1 New Computer based Icontrols manufactured by MCE which include the following:
New 12 Pulse SCR Drives, New selector landing system, new Car Top Inspection
Station, Machine room monitor, Emergency power dispatch controls, Keyed hoistway
access stations at both terminal landings, Load weighing anti nuisance and dispatch
system, Phase I&II emergency operation, Nudging operation (see Note 2)

Note 2 VA master elevator specs prohibit nudging operation on VA elevators, however the
circuitry for nudging operation is included in the new elevator controllers

CLIN 2 Corner Guards - Priced for a quantity of 5 openings.

CLIN 4 Corner Guards - Priced for a quantity of 55 openings.

CLIN 5 Corner Guards - Priced for a quantity of 60 openings.

Exhibit A

	IGE	ANDROS			Average of Other Bidders		US Innovative		Hyland		Serviam	
		\$	vs IGE	vs Other	\$	vs IGE	\$	vs IGE	\$	vs IGE	\$	vs IGE
CLIN 1 - Upgrade Controls Passenger Elevators 1-5	\$152,962	\$500,000	227%	-32%	\$732,765	379%	\$748,000	389%	\$753,000	392%	\$697,294	356%
CLIN 2 - Door Guards Elevators 2-6 Basement Only	\$14,810	\$3,000	-80%	-70%	\$10,019	-32%	\$11,080	-25%	\$9,750	-34%	\$9,228	-38%
CLIN 3 - Upgrade Controls Service Elevators 6-10	\$151,510	\$480,000	217%	-37%	\$760,103	402%	\$768,000	407%	\$801,200	429%	\$711,110	369%
CLIN 4 - Door Guards Service Elevators 6-10 Floors 1-11	\$148,104	\$15,000	-90%	-81%	\$80,660	-46%	\$78,000	-47%	\$89,900	-39%	\$74,080	-50%
CLIN 5 - Door Guards Service Elevators 1-5 Floors 1-11	\$148,104	\$18,000	-88%	-81%	\$93,270	-37%	\$94,800	-36%	\$101,700	-31%	\$83,309	-44%
	\$615,491	\$1,016,000	65%	-39%	\$1,676,817	172%	\$1,699,880	176%	\$1,755,550	185%	\$1,575,021	156%