

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval
For
Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, VISN 16, Network Contracting Office (NCO) 16, VA Gulf Coast Veterans Health Care System, Station 520, 400 Veterans Avenue, Biloxi, MS 39531. Engineering department requests sole source for construction services from APG Construction, Inc. a VetBiz verified SDVOSB company. Requisition number (2237) is 520-14-1-5301-0002.
2. **Nature and/or Description of the Action Being Processed:** APG Construction, Inc. will provide all labor and materials necessary for Project 520-13-121, Install 200 Ton Chiller, piping, insulation, electrical and controls at the Joint Ambulatory Care Center (JACC) in Pensacola Florida. This action will be awarded as a new firm-fixed-price contract. The current chillers located at the JACC are extremely oversized for other than summer load conditions now that the facility's energy efficiency has been optimized. The existing chiller plant consists of two (2) each 470 ton York centrifugal chillers that are capable of running down to 50% load. During the winter months the actual chill water load now drops below 50% capacity, which is less than 200 tons. The existing 470 ton chillers will not operate below 200 tons and are going offline regularly. The original design documents show a limitation of 330 gallons per minute per chiller flow thru the evaporators which translates to a 215 Ton building load with a full design delta T. Several energy conservation measures and ongoing commissioning have lowered the building load substantially. When the load in the building drops below the 215 Ton range, the 470 Ton chillers are below the design minimum flow which causes the chiller to cycle on/off excessively, at times causing it to go offline with low temperature alarms requiring reset and cycling start up delays. The chiller internal safeties are triggered by the low load in the system. Reliable system operation cannot be guaranteed based on the size of the original chillers and the substantial drop in building load due to all the energy conservation the building has been subjected to since its original turnover to the occupants. Originally, the building chilled water load was within the capability of the 470 ton chiller; however, due to project 520-12-116 Upgrade EMCS at the JACC, the actual load is now less than 200 tons during the mild winter months. This project included all building automation systems related to building environmental controls such as air conditioning equipment, chiller plant operation and the supporting fiber optic hardware and network. It also included programming of Siemens proprietary software for all environmental controls, software upgrades, and software licensing.
3. **Description of Supplies/Services Required to meet the Agency's Needs:** The Independent Government Estimate (IGE) for Project 520-13-121, Install 200 Ton Chiller JACC, is \$615,891.00 with a performance period of 180 calendar days after receipt of notice to proceed. APG Construction, Inc. has considerable experience at this facility performing a variety of construction tasks. These tasks have included installation of HVAC systems which require seamless interface with the existing energy management system manufactured by Siemens Technologies, Inc. APG has worked with Siemens on many projects and are uniquely qualified to perform tasks on the proprietary systems installed at this facility. The building systems installed throughout the Gulf Coast Health Care System (security, access control, and building automation/HVAC) are managed through a dedicated fiber optic network installed by Siemens Technologies. The complexity of these systems requires vast knowledge of Siemens hardware and software. Our intent is contract with APG Construction, Inc. in agreement with Siemens Technologies to install the new 200 ton chiller and connect into the existing Siemens system. When the JACC facility was built, provisions were made to allow expansion to the existing chiller plant for future growth. Currently, the tie in points and equipment pads are in place to install the smaller 200 ton chiller.
4. **Statutory Authority Permitting Other than Full and Open Competition:**
 - () (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
 - () (2) Unusual and Compelling Urgency per FAR 6.302-2;
 - () (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
 - () (4) International Agreement per FAR 6.302-4

- (X) (5) Authorized or Required by Statute FAR 6.302-5;
() (6) National Security per FAR 6.302-6;
() (7) Public Interest per FAR 6.302-7.

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority): In accordance with FAR 6.302 Circumstances Permitting Other Than Full and Open Competition the following statutory authority is cited as justification to award a sole source contract valued at less than \$5,000,000.00 to a VetBiz verified SDVOSB:

Far 6-302-5 "Authorized or Required by Statute"

(a) Authority.

(1) Citations: 10 U.S.C 2034(c)(5)

(2) Full and Open Competition need not be provided for when –

(i) A statute expressly authorizes

Statute: P.L 109-461 Sec. 502 as codified in 38 U.S.C. § 8127(c)

Sole Source Contracts for Contracts Above Simplified Acquisition Threshold- For purposes of meeting the goals under subsection (a), and in accordance with this section, a contracting officer of the Department may award a contract to a small business concern owned and controlled by veterans using procedures other than competitive procedures if—

- (1) such concern is determined to be a responsible source with respect to performance of such contract opportunity;
- (2) the anticipated award price of the contract (including options) will exceed the simplified acquisition threshold (as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)) but will not exceed \$5,000,000; and
- (3) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price that offers best value to the United States.

The contracting officer has validated that the contractor is registered and verified as a SDVOSB in the VA VetBiz.gov data base and qualifies as "small" in accordance with federal small business size standards for the applicable North American Industry Classification System (NAICS) code assigned to the procurement.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: N/A. A sole-source SDVOSB set-aside is requested.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable: The Contracting Officer will review the proposed cost and will only award if the proposed cost is determined to be fair and reasonable. Contractor's proposal will be compared to the IGE, to previous prices for similar work and to RS Means pricing to confirm that the proposed cost for this effort is in line with previous prices for similar services and is fair and reasonable. Certified cost or pricing data will not be required. This cost of this procurement is expected to be less than the \$700,000.00 threshold for certified cost or pricing data found in FAR 15.403-4(a)(1).


8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted: N/A. A sole-source SDVOSB set-aside is requested.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition: The EMCS upgrade project described in paragraph 2 is almost complete and existing chillers will not support the winter load requirement that exists due to the efficiency gain. Installation of the new chiller is urgently required.

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.


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.


Jay Tripp
Chief, Engineering Service
VA Gulf Coast Veterans Health Care System

11/27/13
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.


Mark A. Wesson
Contracting Officer
Network Contracting Office (NCO) 16


11/27/2013
Date

b. P&C: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


Albertine L. Honore
CHIEF, PURCHASING AND CONTRACTING
VA Gulf Coast VHCS/Network Contracting Office (NCO) 16

11/27/2013
Date

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


Aaron Villalpando
Network Contract Manager
Network Contracting Office 16

12/2/2013
Date