

JUSTIFICATION AND APPROVAL
FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity

Department of Veterans Affairs (VA)
Office of Acquisition Operations
Strategic Acquisition Center, Frederick (SAC-F)
321 Ballenger Center Dr Ste. 125
Frederick, MD 21703

2. Description of Action

The proposed sole-source action is for a one-year base period firm-fixed price (FFP) contract with four (4), one-year options for the renewal of the lease of one (1) modular building. The proposed sole-source contractor is Nortex Modular Leasing & Construction Company, 555 Jubilee Lane, Lewisville, TX 75056. The modular building provides classroom space to students attending training at the Department of Veterans Affairs (VA) Law Enforcement Training Center (LETC).

3. Description of the Supplies or Services

The VA LETC is seeking to renew its lease of one (1) modular building. The lease will consist of a one (1) year base period with four (4), one (1) year options for a potential total of five (5) years.

The total estimated value of the proposed action is [REDACTED]

The modular building specifications are as follows:

a. General Description of Modular Building:

A modular building designed for general classroom use, containing at least four (4) classrooms, one (1) housekeeping/janitor closet, and one (1) male and one (1) female restroom facility. The entire building shall not exceed 9,999 square feet.

b. Room Space Required:

1. The building shall contain a minimum of four (4) classrooms.
 - i. Three (3) classrooms shall be at least 1,200 square feet in order to accommodate 30 students.
 - ii. The fourth classroom shall be at least 2,500 square feet in order to accommodate 60 students.
2. One (1) housekeeping/janitor closet with mop sink and four square feet of shelving.

c. Multispeed circulating fans, 500CFM, shall be mounted in the corners of every classroom.

d. The building shall have a separate male and female restroom facilities

- i. The male facility shall have a minimum of 2 urinals and 2 commodes.
- ii. The female facility shall have a minimum of 4 commodes.
- iii. Each restroom shall have a minimum of 2 sinks for hand washing.

4. Statutory Authority

The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1), as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

5. Rationale Supporting Use of Authority Cited Above

Duplication of costs is substantial if competed, and is not expected to be recovered through completion. The modular building T-100, a 6,888 square foot modular classroom building consisting of 4 classrooms, was originally leased in 2010. The lease was for a one (1) year base period with four (4), one (1) year options. The base year included the site preparation fee, a one-time inbound fee of [REDACTED] installation and set-up fee of [REDACTED] and the lease for 12 months of [REDACTED]. Option years one (1) through three (3) included a 12 month lease of [REDACTED] per year, and option year four (4) includes a 12 month lease of [REDACTED] and a one-time outbound fee of [REDACTED]. Retention of the modular building T-100 and renewal of the existing lease would prevent the VA Law Enforcement Training Center (LETC) from having to disassemble and remove the existing building and therefore negating the payment of the outbound fee of [REDACTED] plus costs associated with set up and site preparation for a new building obtained through competition. Given that the modular building is currently on site at the LETC, it is not practicable to disassemble the current building, and prepare the site for a new modular building. Not only will removing the current building be a disruption in services, but the LETC will also incur additional set-up and removal cost estimated at over [REDACTED], or [REDACTED] of the cost to continue to lease the current building sole-source.

In addition, renewal of the current lease will also prevent the Law Enforcement Training Center (LETC) from incurring costs associated with locating classroom space off-site, which is currently not feasible given the added costs of approximately [REDACTED] per day, and the logistical considerations of setting up classroom space to accommodate a 4-5 classrooms of over 150 students.

An additional consideration is that the VA Law Enforcement Training Center (LETC) is currently building new facilities to accommodate classrooms and expects completion in the next two years. Upon completion, the plan is to move the students from the current modular building to the new facility, which will no longer be needed. Therefore the substantial duplication cost to the Government is not expected to be recovered through competition should the Government terminate this contract for convenience.

Lastly, projections provided from the VA Law Enforcement Training Center (LETC) indicated that there will be a surge in the hiring of police officers in FY15. Classroom space will be mission critical for the VA Law Enforcement Training Center (LETC) and the mission of the VA Police Services nationwide. Renewal of this lease is therefore, essential to provide the required classroom space for the VA Law

Enforcement Training Center (LETC) and to prevent the interruption of services and suspension of training that the VA Law Enforcement Training Center (LETC) provides.

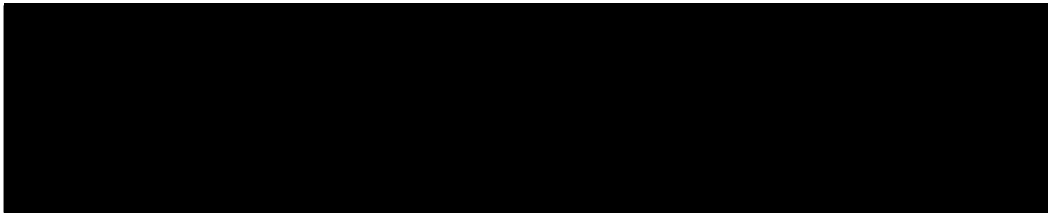
6. Efforts to Obtain Competition

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. There is no competition anticipated for this acquisition. Additionally, the proposed action will be synopsisized on Federal Business Opportunities (FBO) in accordance with FAR 5.201.

7. Actions to Increase Competition

The Government will continue to conduct market research to determine if there are changes in the market place that would enable future actions to be competed. The VA Law Enforcement Training Center (LETC) is currently in the process of contracting for the construction of a new building. Upon completion of the new building, the need to lease a modular building will be alleviated. At the completion of this contract, should any future procurement be needed, it will be competed as required.

8. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable.



9. Market Research

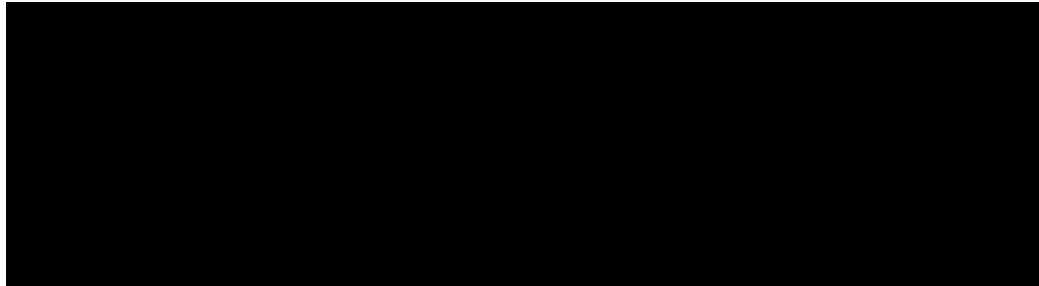
Market Research was limited to determining whether the current contract for the building lease with Nortex Modular Leasing & Construction Company (Nortex) was a SDVOSB or VOSB. Nortex was not listed in the VIP database as a verified SDVOSB or VOSB. Additional market research in System for Award Management (SAM) and the Small Business Administration (SBA) Dynamic Small Business Search engine revealed that Nortex is a Small Business. The contractor's Federal Supply Schedule (FSS) contract was reviewed to determine whether it was still active and whether the contract period of performance was adequate to provide follow on lease services. The General Services Administration (GSA) Contracting Officer on Nortex's FSS was contacted and stated that the Nortex's GSA IDIQ option expires in August 2014 and the Law Enforcement Training Center (LETC) modular building will not be included in the GSA option. Since the current modular building will not be included in the GSA option renewal, a sole-source, Request For Quotation (RFQ) will be issued. Additionally, due to the importance of uninterrupted services, it is not feasible for Nortex to disconnect, dismantle, and remove the current

modular classroom and a new contractor to deliver, perform site-preparation, and set-up a new modular classroom at the Law Enforcement Training Center (LETC).

10. Other Facts

Additional market research was conducted to find out the purchase vs lease price of the modular building. Nortex Modular Leasing & Construction Company indicated that the current purchase price of the modular building at the VA Law Enforcement Training Center would be [REDACTED]. Although the purchase price of the modular building is only [REDACTED] of the current lease price, the VA Law Enforcement Training Center (LETC) does not have the ability to own property as a franchise fund. Furthermore, the VA Law Enforcement Training Center (LETC) is currently in the process of building a new facility; therefore, once construction of the new facility is complete, the Law Enforcement Training Center (LETC) will no longer have a need for the modular building.

11. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.



12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief. As this contract action does not exceed [REDACTED] the certification below required by FAR 6.303-2 (b)(12) serves as approval.

