

Limited Source Justification

Upon the basis of the following justification, I hereby approve the issuance of the contractual action described below using other than full and open competition, pursuant to the authority cited herein.

1. **Contracting Activity:**

Department of Veterans Affairs
Construction and Facilities Management (National Region)
13611 East Colfax Ave
Aurora, CO 80045

2. **Nature and/or Description of Action Being Approved:** This is a Task Order for Contract Management Services for the Eastern Colorado Healthcare System (ECHCS) Replacement Medical Center, Aurora, CO. The proposed task order will consist of a one-year Base Period (10/01/2014 – 09/30/2015), and a one-year Option Period (10/01/2015 – 09/30/2016). The resulting contract will be funded with project funds.

3. **Description of Supplies or Services Required to Meet the Agency's Needs (including the estimated value):** The contractor shall provide Construction Management services as defined in the FSS/GS-23F-0111K. The purpose of this task order is to procure Construction Management services of Senior Project Manager, Cost Estimator, Scheduler, Architect, Electrical Engineering, Mechanical Engineer, Structural Engineer, Architectural/Civil/Electrical/Mechanical/Plumbing/Structural Inspectors, Project Document Control, MEP Inspection Manager, Administrative Support, and Cost Controls Coordinator services to assist the Project Executive and staff in monitoring and inspecting the construction project for compliance with the contract requirements.

The total estimated dollar amount for the services (Base + Option Year) is \$13,822,172.00 for the period of October 1, 2014 through September 30, 2016, and is detailed as follows:

Base Year	10/01/2014 – 09/30/2015	\$ 7,395,845.60
Option Year 1	10/01/2015 – 09/30/2016	\$ 6,426,326.40
Total Base + Option Year	10/01/2014 – 09/30/2016	\$13,822,172.00

4. **The Authority and Supporting Rationale and, if applicable, a Demonstration of the Proposed Contractor's Unique Qualifications to Provide the Required Supply/Service:** The authority for issuance of this task order is FAR Subpart 8.405-6(a)(1)(i)(B). Only one source is capable of providing the services required at the

level of quality required because the services are unique to this ongoing construction project.

Jacobs Technology Inc. previous task order was competitively awarded under VA/BPA VA101CFM-BP-0006, Task Order VACFM05-0806 on March 13, 2011. The task order was awarded for a base year and one-year option periods. The two contractual option periods extending the term of the contract under FAR 52.217-9 have expired. A six month extension under FAR 52.217-8 extended the task order through June 30, 2014. A follow on task order, VA101F-14-J-0220, was issued for the 3 month period of July 1, 2014 – September 30, 2014. This action will secure the non-severable Construction Management Services provided by Jacobs for the remaining duration of the construction project.

The Jacobs Construction Management workforce is providing the following unique Denver project specific services that cannot simply be provided by another contractor:

- A proprietary data base containing estimating data compiled by Jacobs that is used in assessing requests for equitable adjustments that could not be utilized by another contractor for use on the project.
- The VA commissioned the use of ProLog as the project management control system through Jacobs for use only on the Denver project. The VA relies upon the unique manner in which Jacobs has implemented ProLog. The unique and very specific methodology employed by Jacobs has been used only on the subject project. The loss of Jacobs would also be the loss of this PCMS system and would negatively impact the VA's ability to manage the project.
- Provide technical solutions based on contract documents issued to date, historical knowledge of contractor requests for equitable adjustments (REA), Contracting Officer Final Decisions (COFD), Changes (CM), responses to Requests for Information (RFI), etc. This basis has been and continues to be used to arrive at the Government's position for Alternate Dispute Resolutions and claims that have, and are anticipated to arise from the COFDs. Another contractor could not fully explain the methodology used by Jacobs.
- Cross-checking requests for contract adjustment to prevent duplication that requires specific knowledge of the procedures utilized by the construction contractor to seek the same compensation through different means. This process includes and takes into account the cross-check of over:
 - 2,000 RFIs
 - 1,000 CMs
 - 188 COFDs
 - 57 REAs
 - 8000 Architect/Engineer Drawings

- This technical cross check of a project currently over 55% complete requires an extensive knowledge of the work completed and the multiple requests for clarifications. Without this in-depth cross check, the VA would incur unreasonable duplication and excessive costs.
- As the construction contract progressed, Jacobs developed unique knowledge and project history which is now required to seamlessly continue progression of the construction contract. It is not reasonable to expect another service provider to effectively, timely, and efficiently assume the Construction Management role without significant impact to costs and the schedule, and loss of historical technical knowledge.
- The loss of this intellectual base would create unreasonable cost impacts to the Government and ultimately impact and slow construction of the replacement medical center.
- The Jacobs provided construction inspectors currently hold knowledge of construction submittals for more than 55% of completed work (including most critical systems which are only partially constructed). These inspectors are also involved in the current implementation of changes to the work including AE changes, RE field changes, and Contractor changes. With their knowledge on this job, they are able to facilitate on the spot field clarifications that ensure timely contractor progress.

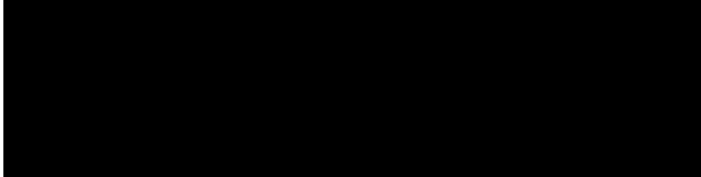
There is no realistic expectation that any other contractor can step in and provide Construction Management Services without unreasonable cost and schedule impacts to the project. Construction is currently progressing at 3-5% completion per month. A change in Construction Management contractors would require 6 months to one-year delay of ongoing construction and directly impact services to Colorado Veterans.

5. **A Determination by the Ordering Activity Contracting Officer that the Order Represents the Best Value Consistent with 8.404(d)**: GSA has provided prices of supplies and fixed-price services, and rates for services offered at hourly rates, for the purpose of establishing the schedule contract. GSA's determination does not relieve the ordering activity contracting officer from the responsibility of making a determination of fair and reasonable pricing for individual orders, BPAs, and orders under BPAs, using the proposal analysis techniques at 15.404-1. GSA ordering procedures indicate the complexity and circumstances of each acquisition should determine the level of detail of the analysis required. Jacobs' includes a further discount of 20% from the published GSA/FSS rates and the Government's technical representative has determined that the labor categories and hours are commensurate with the level of effort required to provide the construction management services. Based on this information, the Contracting Officer hereby determines that the resulting task order represents the best value to the Government.

6. **Description of the Market Survey Conducted Among Schedule Holders and the Results or a Statement of the Reasons a Market Survey Was Not Conducted:** A market survey was not done for this requirement because Jacobs Technology has mature knowledge of the unique conditions of the Denver construction project, the IDc type of contract involved, and is an integral part of the Project Delivery Team working together to build a major hospital campus. At this point in the construction process, their services would be considered non-severable in nature. Bringing another contractor on board to provide the service requested under this justification is both cost and time prohibitive and may result in delay to the construction project.
7. **Any other Facts Supporting the Justification:** Awarding this task order to Jacobs Technology Inc. is appropriate because is the only one.....this contractor has the knowledge, man power, and tools that can perform at full operating capacity beginning on the first day. There is also substantial cost avoidance related to re-procurement actions. Use of Jacobs will eliminate unacceptable delays associated with getting a new contractor on board and functioning at the high level of performance and efficiency of the current contractor. There will be a learning curve associated with the transition of a new contractor and the disruption to VA/CFM and its customers. A delay in the Government's ability to provide construction management services would cause a significant delay to the construction project and could result in the Government having to pay delay costs to the construction contractor.
- i. Jacobs has significant institutional knowledge (three years). This knowledge is not transferable without considerable time and expense which will result in unacceptable delays of hospital services to Colorado Veterans. Today's fiscal environment demands cost avoidance and resource stewardship.
 - ii. In addition to these costs avoided, the disruption of services and its negative impact on the VA/CFM and its customers would also be avoided. This disruption would be both as part of the instant contract action and once again at the time of the re-compete.
8. **Actions the Agency may Take to Remove or Overcome Future Barriers that led to the Restricted Consideration before any Subsequent Acquisition for the supplies/Services is Made:** The progression of this project has resulted in Jacobs becoming the only source capable of providing the services required. For future actions, VA/CFM has established GSA/FSS BPAs to provide nationwide construction management services. The solicitation was published on GSA e-Buy and there were 26 respondents. Multiple awards from this Solicitation were made in September, 2014. Additionally, to provide a fair opportunity to all VA/FSS BPA holders in accordance with FAR 8.405-3(b)(2) and VA/CFM policy, task orders exceeding the micro-purchase threshold will be competed amongst VA/FSS BPA holders.

TECHNICAL AND REQUIREMENTS CERTIFICATION REQUIRED BY FAR 8.405-6(g)(2)

I certify that the facts and representations included in this justification meet the minimum needs and schedule requirements of the procurement and reflect the basis for other than full and open competition in a complete and accurate manner.

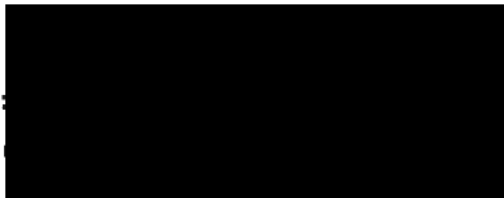


09/30/14

Date

CONTRACTING OFFICER CERTIFICATION

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

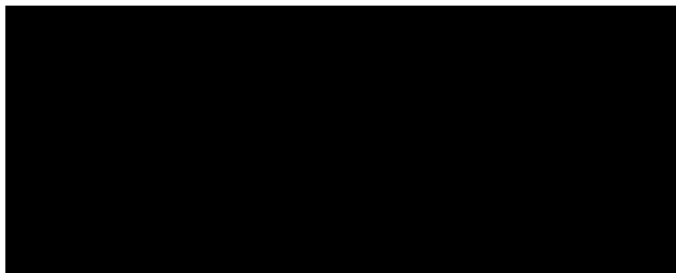


09/30/14

Date

HEAD OF THE CONTRACTING ACTIVITY APPROVAL

Based on the foregoing justification, I hereby approve the task order procurement of Construction Management services from GSA/FSS-GS-23F-0111K, as an other than full and open competition award pursuant to the authority of FAR 8.405-6(a)(1)(i)(B) to limit sources as only one source is capable of providing the services required at the level of quality required because the services are unique to this ongoing construction project.



9-30-14

Date