

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 10, Justification for Other Than Full and Open Competition. The 2237 Number for "Correct HVAC Deficiencies (Project Number: 757-15-206)" is 757-15-1-743-0001.

2. **Nature and/or Description of the Action Being Processed:** The Correct HVAC Deficiencies project is designed to correct ventilation deficiencies on Omni Cell and RME Rooms by installing Variable Air Volume (VAV) units, and other supporting equipment as required by drawings and specifications at The Chalmers P. Wylie VA Ambulatory Care Center (VAACC). The project includes building the addition and finishing it similar to the existing structure. This project will include demolition, general construction, mechanical and electrical work, and certain other items as shown and described in the specifications and drawings.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:**
The Johnson Controls direct digital control (DDC) system is required to provide electronic positioning of valves and dampers in the medical facility's heating, ventilation and air conditioning (HVAC) system. The system is programmable and the program code can be customized to control time schedules, set points, controllers, logic, timers, trend logs, and alarms. The system, when properly integrated, can administer controls for the HVAC systems for the entire Ambulatory Care Center. One of the benefits of such a system is that it can greatly reduce HVAC operating costs and create significant cost savings for the VA. The estimated value for the Johnson Controls temperature controls and Network Automation Engine (NAE) required by this project is [REDACTED]. This is a new firm fixed price contract. The period of performance for this project is 180 days for bid item one and 135 days for bid item two.

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
 (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):** The above listed system is currently installed throughout the facility. The Correct HVAC Deficiencies project will require the existing Johnson Controls HVAC system to be supplemented with new temperature control devices. Competing HVAC system manufacturers use proprietary programming languages for their control systems. Therefore using another manufacturer's devices would not be cost effective in installation and maintenance costs because it would require a second DDC network for support and control. The VAACC will operate much more efficiently with one comprehensive DDC that can be used to control the entire system. The VAACC's technicians are familiar with the programming and operations of the current Johnson Controls DDC system. Currently the DDC system is used for 100% of the facility's existing systems. Competing manufacturer's controllers also use different communications, graphics, and software. VAACC technician's workload would increase by having to keep track of and maintain two DDC systems. Other manufacturer's temperature control devices and NAE will not communicate with the existing system and therefore cannot be used without creating the inefficiencies outlined above and adding significant costs to this project.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** A/E Contractor Contech Design's plans specifically mention the continued use of Johnson Controls devices. Efforts were not made to solicit from other electrical equipment manufacturers, because it is Contech's expert opinion that utilizing other manufacturer's DDC would decrease the consistency and reliability of the facility's operations. This in turn would cause the patient care provided to our Veterans to suffer. Although this is a proprietary system and requires installation by a representative of Johnson Controls, the wiring to runs between and among the system components will be competitively bid through the SDVOSB contractor set aside. Contech was determined to be a responsible design firm during the Indefinite Delivery Indefinite Quantity (IDIQ) process.

Two regional (eastern United States) Vet Biz database queries of Service Disabled Veteran Owned Small Business (SDVOSBs) were conducted. One with the 236220 (General Construction) NAICS (North American Industry Classification System) code and another with the 238220 Heating Ventilation & Air Conditioning (HVAC) NAICS code. The results were one hundred sixteen (116) SDVOSBs and fifty four (54) SDVOSBs respectively. Because the customer would like to foster competition and have several bids available for consideration, the acquisition team elected to use the general construction NAICS code.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** To counteract the lack of competition in the acquisition and installation of the Johnson Controls equipment, the entire project will be solicited as an Invitation for Bids (IFB). As stated above, the search of the VET Biz Registry website provided one hundred sixteen (116) SDVOSBs within the eastern region of the United States with a NAICS code of 236220. Based upon the information outlined above, the Contracting Officer believes that the anticipated cost to the government for the entire project will be fair and reasonable.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** The Correct HVAC Deficiencies Project is projected to be a SDVOSB set aside. The market research for this J&A is for the Johnson Controls controllers and installation only. Pricing for the Johnson Controls system is by the A&E based on past experience with sole sourcing. The DDC system has been established and maintained here at the Columbus VAACC. This facility has thousands of devices identical to the items mentioned in this document. These devices are controlled by the system and each one must be standardized in order to function properly for patient safety. A system of this size would be unmanageable without standardization. In accordance with FAR 6.302-1, it is in the best interest of the Government to purchase the same brand of DDC controller equipment. As described in Section VI above, market research, in accordance with FAR Part 10, was conducted by synopsis of the proposed acquisition. As stated earlier, Market Research was conducted using queries of the Vet Biz database. In addition, a Federal Business Opportunities (FBO) Presolicitation Notice was generated, and yielded the following results: Six verified SDVOSB concerns with the appropriate NAICS code identified themselves as "Interested Vendors" on the FBO website. None of the responses to the sources sought notice were DDC controller vendors.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** We have ensured that portions of the project that can be completed by using competitive means. This includes installing and powering the control boxes, VAV units and pulling all of the wire for the project. These specific tasks will be conducted by the SDVOSB contractor and/or sub-contractor.

10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** As described in Section VI above, market research, in accordance with FAR Part 10, was conducted by synopsis of the proposed acquisition and reviewing interested vendors listed on the FBO website. The interested vendors that were confirmed as SDVOSBs by cross checking the Vet Biz database are as follows: The Geiler Company, Hamilton Pacific Chamberlain, LLC, Veterans Construction Services Inc., Opcon Inc., Armcorp Construction Inc, and JJW Contracting, LLC. The presolicitation notice was for the entire project.

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:** The facility has brought in other DDC Control vendors to discuss the possibility to change over the system to an open source format in order to allow the DDC system to be competitively bid. The cost of this change is enormous and can't be included in a project of this size. In addition, Because Network Contracting Office 10 was aware of the name brand recommendation by Contech Design for the DDC System equipment, the decision was made to compete as much of the remainder of the project as possible among SDVOSBs to achieve socioeconomic goals and foster competition in the marketplace.

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.

Phillip J Hinson
669343

Digitally signed by Phillip J Hinson 669343
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October 28, 2014

Phillip Hinson
General Engineer
Chalmers P. Wylie VAACC

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.

ROBERT H.
IVEY 225363

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Bob Ivey
Contracting Officer
Network Contracting Office (NCO) 10

Date

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

JOSEPH L. BOGGS
315360

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Joseph Boggs
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Date