

**DEPARTMENT OF VETERANS AFFAIRS**

### Justification and Approval

**For**

### Other Than Full and Open Competition

- 1. Contracting Activity:** Department of Veterans Affairs, Network Contracting Office, VISN 10, Chalmers P. Wylie VA Ambulatory Care Center, Network Contracting Office (NCO) 10, Justification for Other Than Full and Open Competition. The 2237 Number for "Install Active Harmonics on Substations (Project Number: 757-14-204)" is 757-15-1-743-0002.
- 2. Nature and/or Description of the Action Being Processed:** The proposed procurement will be done via an Invitation for Bid (IFB). Based upon the recommendations of the A/E Contractor, Emersion Design, this construction project requires the installation of four (4) Johnson Controls fan control devices that will measure the heat load created by the addition of three (3) additional harmonic correction units (HCU's) and activate a fan and louver system to cool the room. Keeping the room within a specific temperature range increases the HCU's efficiency and longevity. The purchase and installation of the HCU's represent the vast majority of this project's cost. The determination for selecting the Johnson Controls devices is to ensure seamless coordination with the existing heating, ventilation, and air conditioning (HVAC) infrastructure of the VAACC, manufactured by Johnson Controls. The project is estimated                      The estimated cost of the J&A is \$1,689,000.  
This is a new firm, fixed price contract. The devices will be purchased directly from Johnson Controls by the lowest bidding responsible Service Disabled Veteran Owned (SDVOSB) contractor or it's VA approved sub-contractor.
- 3. Description of Supplies/Services Required to Meet the Agency's Needs:**  
The Johnson Controls fan control devices will be integrated into the Clinic's current Johnson Controls direct digital control (DDC) system. The DDC provides precise 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, 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 four (4) fan control units is \$1,689,000.  
This is a new firm fixed price contract. The period of performance for this project is 210 days.

**4. Statutory Authority Permitting Other than Full and Open Competition:**

- (X) (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 Install Active Harmonics on Substations project will require the existing Johnson Controls HVAC system to be supplemented with the new fan control devices. Competing HVAC system manufacturers use proprietary programming languages for their control systems. Therefore using another manufacturer's equipment would not be cost effective in installation and maintenance costs. 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 systems use different communications, graphics, and software which are difficult for the technicians to keep track of and maintain. Other manufacturer's devices will not communicate with the existing system and therefore can't be used.

**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. Contech was determined to be a responsible design firm during the Indefinite Delivery Indefinite Quantity (IDIQ) process. 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. Furthermore, a sources sought notice (VA250-15-N-0159) was published in an attempt to solicit inquiries from interested parties. It was posted to the FBO website on February 24, 2015 until March 2, 2015. There was one e-mail response from a possible vendor, that was not the manufacturer. The interested vendor's tab for the sources sought notice did not show any potential vendors as an interested party.

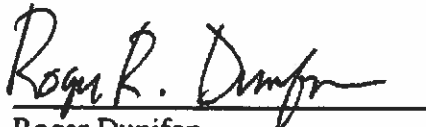
**7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:**

To counteract the lack of competition in the acquisition of the equipment needed to complete the project, the entire project will be solicited as an IFB. A search of the VET Biz website provided seven hundred nine (698) SDVOSBs and one thousand seven hundred two (1,702) VOSBs across the nation with NACIS code 238210 (Electrical Contracting). Based upon the two (2) responses to the pre-solicitation notice, from SDVOSBs, and having another SDVOSB on site performing a

harmonics project, the contracting officer believes that the anticipated cost to the government for this project will be fair and reasonable. In regards to fair and reasonable pricing regarding Johnson Controls equipment, there is an existing GSA contract with Johnson Controls (GS-07F-7823C). GSA pricing is, by definition, fair and reasonable. The SDVOSB contractor may elect to buy authentic, fully warranted Johnson Controls equipment from any source that offers pricing equal to, or better than the GSA price.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** The Install Active Harmonics on Substations project is projected to be a SDVOSB set aside. The market research for this J&A is for the Johnson Controls equipment 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 points controlled by the system and each one must be standardized in order to function properly for patient and employee safety and comfort. 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 HVAC system equipment. As described in Section VI above, market research, in accordance with FAR Part 10, was conducted by publishing a sources sought notice (VA250-15-N-0159) that attempted to solicit inquiries from interested parties. It was posted to the FBO website on February 24, 2015 until March 2, 2015. There was one e-mail response from a possible vendor, that was not the manufacturer. The interested vendor's tab for the sources sought notice did not show any potential vendors as an interested party.
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 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:** There was only one response to the sources sought notice for the Johnson Controls fan control unit. A representative from Grainger inquired about the details of the equipment listed. The representative did not indicate that Grainger was capable of supplying the equipment.
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 for the DDC System equipment, the decision was made to compete the installation portion of the project 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.

  
Roger Dunifon  
Supervisory General Engineer  
Chalmers P. Wylie VAACC

03/05/2015  
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**  
Bob Ivey  
Contracting Officer  
Network Contracting Office (NCO) 10

Digitally signed by ROBERT H. IVEY  
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March 6, 2015

Date