

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 664-15-3-5473-0239

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source:

Contractor: Honeywell Building Solutions (HBS)

Contractor POC & phone number: Derek Wheeler, Field Service Supervisor

Contractor Address/Phone Number: 22 Center Pointe Drive-Suite 100/(714) 562-3030

The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

San Diego Healthcare System

VISN:

Department of Veteran Affairs

Network Contracting Office 22

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

This action is Justification and Approval (J&A) for a limited source, base year with four one (1) year option periods on a Federal Supply Schedule (FSS), firm fixed price (FFP) basis for cogeneration plant maintenance.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

Purchase request 664-15-3-5473-0239 is for maintenance and repair of cogeneration plant equipment to include a designated technical focal point, InSight System for Remote Monitoring & Diagnostics (RM&D), trouble calls, maintenance, package parts and consumables; turbine repair and overhaul coverage of the Veterans Affairs San Diego Healthcare System's (VASDHS) cogeneration plant.

(b) ESTIMATED DOLLAR VALUE: Base Year - \$1,157,791.00; with all options - \$6,146,869.65 per the recommended contractors quote.

(c) REQUIRED DELIVERY DATE: Period of Performance: 5/1/2015 – 4/30/2016; 2015-2020

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

The cogeneration unit is a Beta Test Unit (the first of its kind built and prior to mass production) and all results and bulletins are not available to any other company than Sempra Energy, OEM of which Honeywell International, Inc. acquired.

A patent, copyright or proprietary data limits competition. The proprietary data is:

The awardee shall receive proprietary service bulletins and shall be responsible for providing a designated technical focal point for the cogeneration plant's InSight System for Remote Monitoring & Diagnostics (RM&D), trouble calls, maintenance, package parts and consumables, repair, and turbine overhaul coverage.

These are "direct replacements" parts/components for existing equipment.

The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

The VASDHS Beta cogeneration unit's custom design, RM&D system and diagnostic algorithms are required to provide proper corrective adjustments or maintenance.

The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

The IGCE submitted by the using service was \$1,175,000.00 for the base year; however, The anticipated price for the base year of this service contract is \$1,157,791.00; with an average Consumer Price Index factor of 3% each option year, the estimated total of \$6,146,869.65 for the base and four one (1)-year option periods. Based on the critical importance and factors of this requirement (neglect of the

turbine engine could cost in excess of \$1 million} for continued operation of the cogeneration plant and associated equipment placing a FSS order represents the most advantageous and best value for VASDHS. In addition to the anticipated price of this contract being approximately 1.5% less than the IGCE, per FAR 8.404(d) GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

Market research was conducted in accordance with FAR Subpart 10. A search/review on NAC Contract Catalog and Prime Vendor Database reflected that this cogeneration plant maintenance requirement was not available from a VA NAC Contract source. A search/review on VA WSNC BPA Website: for Multi-VISN, single-VISN, or locally awarded BPA's issued by VISN, regional, or local VA contracting officers against Federal Supply Schedules and found that this requirement cannot be provided under a current WSNC BPA. A search on VISN, regional, nor local IDIQs reflect that IDIQs are currently in place for this type of service. A search on GSA Advantage revealed that Honeywell International, Inc. is a schedule holder that has this service available on their schedule.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

There are no other facts supporting the use of this justification.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

Per FAR 8.405-6(2) a Notice shall be published at the GPE, <http://www.fedbizops.gov> for a minimum of 30 days. If another potential source emerges, the VA will consider and assess whether competition for future requirements is feasible.

(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

<u>Bill Dias</u>	<u>3/18/2015</u>
SIGNATURE	DATE
Bill Dias	Operations Engineer
NAME	TITLE
VA San Diego	Engineering Services
FACILITY	SERVICE LINE/SECTION

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM, Volume 6, Chapter VI: OFOC SOP:

a. **CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



CONTRACTING OFFICER'S SIGNATURE

13-24-15

DATE

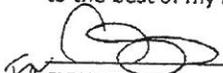
Rebecca Gloria, Contracting Officer

NAME AND TITLE

Network Contracting Office (NCO) 22

FACILITY

b. **Director of Contracting/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



SIGNATURE

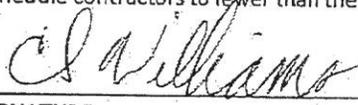
3/27/15

DATE

Kevin Blanchard

NAME
Director of Contracting
NCO 22

c. **SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.



SIGNATURE

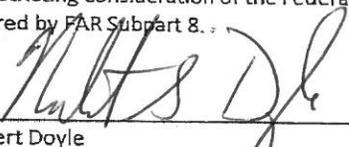
4/3/15

DATE

Christopher S. Williams

NAME
Acting Director, SAO West

d. **VHA HCA REVIEW AND APPROVAL (over \$650,000 to \$12.5 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.



Norbert Doyle
VHA Head of Contracting Activity (HCA)

7/14/15

DATE