

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**Acquisition Plan Action ID: VA528-16-AP-0155**

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:** Provide *original manufacturer's* name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, *ALSO* provide dealer information.)

Manufacturer/Contractor: THE TRANE COMPANY

Manufacturer/Contractor POC & phone number: /518-785-6486

Mfgr/Contractor Address: 301 OLD NISKAYUNA ROAD, LATHAM, NY 12110

Dealer/Rep address/phone number: ALBANY OFFICE/ /518-785-6486

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

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs

Albany Stratton VAMC

113 Holland Ave

Albany, NY 12208

NCO 2 (2-90)

**VISN:**

2

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

This contract is for maintenance and service to the Operating Room and Animal Research Facility chiller equipment as outlined in the scope of work. This equipment was previously covered by the Main Chiller plant contract VA528-15-F-0017 which expired on September 30<sup>th</sup>, 2015. This requirement for a firm fixed price contract, period of performance is from 1/1/2016 to 12/31/2016 with 4 one year options.

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

Services needed are to operate, maintain and repair the chiller equipment and proprietary automation systems in the operating theater of the hospital. The IGCE estimated this annual contract to be roughly \$80,000.00 annually with a base contract from 1/1/2016 to 12/31/2016 plus four 1-year follow on contract options. Services to be performed are outlined in the scope of work and include but not limited to weekly, monthly, and semi-annual system checks and preventive maintenance to the chiller plant equipment.

**(b) ESTIMATED DOLLAR VALUE: \$\$400,000.00**

**(c) REQUIRED DELIVERY DATE: 1/1/2016**

**(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 main central chiller plant AND the OR/ARF Chillers were part of 1 contract prior to separating the 2 in 2015. Trane Tracer Summit was the single proprietary control system to operate all chillers and equipment. When soliciting for the chiller plant maintenance contract in 2006 there were two other vendors, beside Trane Inc., interested, but they both failed to meet the requirements. Johnson Controls Inc. and Carrier Inc. both conducted the walkthrough of the facility but did not bid on the service agreement due to the proprietary rights of software programming. Again in 2010 the solicitation outlined "contractor requirements", specifically service personnel with requirements to be OEM manufacturer factory trained. No vendor was found capable of providing a qualified offer. VISN 2 published a Sources Sought Notice to FedBizOps (FBO) was issued on Nov 7, 2014, with solicitation number of VA58-15-Q-0024. This synopsis identified the background and technical requirements for the chiller plant maintenance needed for the Albany VA. It provided a list of requirements and the anticipated verification method/documentation to ensure that any potential sources could meet the described requirements. The response due date was Nov 14, 2014 and did not successfully facilitate competition. Further, VISN 2 Published an EBUY RFI Sources Sought on August 26, 2015 closing on August 31, 2015 - only one response was generated. It was decided that Sole Source Acquisition was warranted.

A patent, copyright or proprietary data limits competition. The proprietary data is: (If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

N/A

---

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

N/A

---

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.

N/A

---

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.

N/A

---

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

N/A

---

**(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:**

Trane pricing is based on their current GSA Federal Supply Schedule (FSS) contract, GS-06F-0079R, (<http://www.gsaweblink.com/FACServices/>) and all its associated terms, conditions and negotiated pricing.

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

An examination of the acquisition history and experience with the marketplace for similar acquisitions yielded proprietary rights for system software are consistent across the industry. There are similar instances with other HVAC Controls vendors such as Johnson Controls, Carrier, and Honeywell. A search of the Small Business Administration (SBA) Dynamic Small Business Search System identified no SDVOSB, VOSB, Woman Owned Small Businesses (WOSB), Small Businesses (SB), 8(a), and Hubzones when searching using keywords "Trane" or NAICS 238220. A search of the Vetbiz website was also conducted using the same search criteria without success. As described in Section 6 above, market research was conducted by sources sought for the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties. This also yielded only one result identifying the Proprietary contractor as a source.

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

Trane Tracer Summit control system was installed prior to 2001 for the OR and ARF Chiller controls. Albany has invested a significant amount of capital to maintain consistency and reliability with HVAC controls and its central ARF/OR Chiller Plant. The facility has undergone a major upgrade to the Main Chiller Plant where TRANE was awarded a full maintenance contract. The OR/ARF Chillers were once part of the main chiller contract due to the control systems operating as one. Since the upgrades the main chiller plant was separated out from the control systems.

**(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:**

The Stratton VA Medical Center has invested significant capital to provide automation and services that greatly increase energy efficiency, reliable operations, and comfort for patients, employees, and visitors. Potentially, a significant capital investment would ensue to remove barriers to open competition for HVAC and Chiller Equipment controls. Additionally, if barriers were removed to allow open competition there would remain another vendor contract for the operations, maintenance and service to their systems is a packaged one-time procurement and installation of hardware and proprietary software. The supporting services throughout the base and option years are linked directly with the initial hardware and software purchase.

**(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



**HIGHER LEVEL APPROVAL (Required For orders over \$650,000):**

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

\_\_\_\_\_  
DATE

\_\_\_\_\_  
NAME

Director, SAO X

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 8.4

\_\_\_\_\_  
NAME

VHA Head of Contracting Activity (HCA)

\_\_\_\_\_  
DATE

e. **VA Deputy Senior Procurement Executive Approval (\$12.5 million not to exceed \$50 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 8.4

\_\_\_\_\_  
C. FORD HEARD

Deputy Senior Procurement Executive (DSPE)

\_\_\_\_\_  
DATE

f. **VHA Senior Procurement Executive Approval (over \$50 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 other than full and open competition.

\_\_\_\_\_  
JAN R. FRYE

Deputy Assistant Secretary  
Office of Acquisition and Logistics  
Senior Procurement Executive (SPE)

\_\_\_\_\_  
DATE