

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval For Other Than Full and Open Competition

Solicitation Number: VA260-16-R-0001

- Contracting Activity:** Department of Veterans Affairs, Network Contracting Office (NCO) 20, located at 5115 NE 82nd Avenue, Suite 102, Vancouver, WA 98662, on behalf of Puget Sound Health Care System (PSHCS) 1660 S. Columbian Way, Seattle, WA 98108-1597. The Department of Veterans Affairs proposes to include sole source requirements for electrical distribution equipment in the construction contract for Non-Recurring Maintenance (NRM) Project 663-15-102 Upgrade Electrical Distribution, 5kV to 15kV, Building 100, PSHCS, Seattle, WA.
- Nature and/or Description of the Action Being Processed:** The contract will be for the construction of the upgrade to the east campus electrical distribution system infrastructure. The independent government cost estimate for the construction is \$28,197,383.00. The west campus electric distribution system infrastructure was previously upgraded several years ago. This contract not only upgrades the east campus system, but also interconnects the east and west distribution systems. As such, it will include sole source requirements for certain items of equipment so both the east and west systems will become a fully integrated single campus-wide system, which will provide for increased delivery capacity, reliability, maintainability and operational flexibility at a consistent voltage.
- Description of Supplies/Services Required to Meet the Agency's Needs:** To support full integration of the east and west campus distribution systems, new generators, distribution equipment and controls installed under this contract must integrate seamlessly with the existing equipment to form what will be a single campus-wide system. Equipment required to achieve a fully integrated single campus-wide system, which will be provided under this contract, is identified in the following table. Use of any other make, model or brand name of equipment will not result in a fully integrated single campus-wide system, and would increase the risk of system failure impacting the operations of the medical center.

Description	Quantity	Estimated Unit Price	Estimated Total Price
Caterpillar Diesel-Engine Generators – 2500kW, 13.8kV	3 each	\$603,354.00	\$1,810,061.00
Caterpillar Integrated Eaton VacClad-W Generator, Medium Voltage, Paralleling Switchgear	1 each	\$845,100.00	\$845,100.00
Caterpillar Integrated Eaton VacClad-W Generator, Medium Voltage Double-Ended Main Switchgear with VCP-W Drawout Circuit Breakers and SEL Protective Relays	1 each	\$1,054,900.00	\$1,054,900.00
Estimated Total Price			\$3,710,061.00

The VA's requirement is to fully integrate new generator paralleling switchgear with the existing generator paralleling switchgear to form a campus-wide generator back-up system. During a loss of normal power, the integrated control system will be responsible for starting both new and existing

generators and will connect (parallel) them in turn to a single electrical distribution bus. This complex control system is responsible for synchronizing generator set connecting to a common generator distribution bus; synchronizing the generator bus to the utility bus; and selectively adding or removing generator sets in response to change in load demands as well as other programmed operations. It carries out these functions by opening or closing large 15kV circuit breakers with split-second accuracy. This controller could be characterized as a power relay/distribution control module. It is important to emphasize that the control module does more than read and monitor power distribution from internal electrical components.

4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC §3304(a)(1), as implemented by FAR 6.302-1.

- (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;

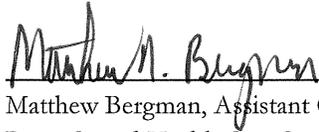
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** The electrical distribution system for the west campus was upgraded several years ago under a competitively procured contract. The equipment installed under that contract included two integrated Caterpillar 2500kW 13.8kV diesel-engine generators, paralleling controls by NC Power Systems, and Eaton VacClad-W medium voltage switchgear with VCP-W drawout circuit breakers and SEL protective relays. The only way to achieve interconnection between the east and west campus creating a fully integrated single campus-wide system is to install matching equipment.

Mechanically, generators in a paralleling system are compatible when they have compatible engines, alternators, load sharing controls and control interfaces. These components vary by manufacturer. The only way to attain a fully integrated, campus-wide system is to install matching equipment. Installation of any other make, model or brand name of equipment will significantly reduce compatibility, which will increase complexity and risk of system failure.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** The construction contract is being advertised for unrestricted, full and open competition in accordance with FAR Part 6. In accordance with FAR Part 5, the solicitation will be posted to the government-wide point of entry at www.fbo.gov. Additionally, the solicitation contains cascading evaluation language and evaluation factors for SDVOSB, VOSB and SB concerns as well as adherence to SB subcontracting plans for other than SB concerns. All responsible, qualified contractors are requested to participate, regardless of socio-economic status and / or size of business concern.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** This estimated value of the construction contract for the upgrade is \$28,197,383.00. The construction contract is being competitively procured. The estimated cost of this equipment is \$3,710,061.00 and represents approximately 13% of the entire construction cost. In accordance with FAR 15.404-1(b)(2)(i) price competition will establish a fair and reasonable price. The procurement is subject to submission of cost and pricing data and FAR Part 31 Contract Cost Principles and Procedures. If the successful offeror is other than a SB concern, the procurement will be subject to FAR Part 30 Cost Accounting Standards Administration. A detailed breakdown of pricing will be obtained from each offeror for analysis by the contracting officer to determine fair and reasonable prices.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research for the identified equipment was not conducted. While it is true that large generator paralleling systems are available from other manufacturers, non-Caterpillar equipment will not have compatible engines, alternators, load sharing controls and control interfaces, which will not result in a fully integrated, campus-wide electrical distribution system as required.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** The construction to upgrade the electrical distribution system has been fully designed by Sazan Group, an architect-engineer firm under contract VA260-15-C-0023 and those construction specifications, drawings and plans will be included in the construction contract. The equipment itself must match existing to operate as a fully integrated single campus-wide system, and; therefore, the contract simply calls out exact equipment.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** As noted in paragraph 8, above, market research was not conducted because, based on the knowledge of the electrical distribution experts, no other brand name of large generator paralleling systems are compatible with the existing equipment in terms of engines, alternators, load sharing controls and control interfaces.
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:** As this is what amounts to a one time procurement for an upgrade to a major infrastructure system of the medical center, there will not be subsequent acquisitions for this equipment or construction project. There really are not barriers to competition to be overcome.

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.



Matthew Bergman, Assistant Chief Facility Management Service
Puget Sound Health Care System, Seattle Division

2/10/2016

Date

13. **Approvals in accordance with the VHAPM, Volume 6, Chapter VI: OFOC SOP:**

Contracting Officer's Certification (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Charlene Duncan, Contracting Officer
Network Contracting Office 20, Construction Branch 2

02/10/2016

Date

Director of Contracting /Designee: I certify the justification meets requirements for other than full and open competition.

Scott I. Benza
Director of Contracting
Network Contracting Office 20

10 Feb 2016

Date

VHA HCA Review and Approval: I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve this acquisition for other than full and open competition.

Delia A. Adams, MBA, CPCM
Director, SAO West
Head of Contracting Activity

16 Feb 2016

Date