

**DEPARTMENT OF VETERANS AFFAIRS**

**Justification and Approval (J&A)  
For  
Other Than Full and Open Competition**

1. **Contracting Activity:** Department of Veterans Affairs, NCO 19 Rocky Mountain Acquisition Center, 515 East 100 South, Suite 400 Salt Lake City, Utah 84102 Fort Harrison VA Medical Center, 3687 Veterans Drive, Fort Harrison, Montana 59636
2. **Nature and/or Description of the Action Being Processed:** The Department of Veteran Affairs currently leases 18,021 rentable square feet (RSF) of clinical space at 2687 Palmer, Missoula, Montana 59801 under lease number V436-R-0012. The current lease expired on May 30, 2013. Approval is request to negotiate a succeeding lease with the incumbent Lessor without full and open competition for continued occupancy at this leased location
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The Missoula Community Base Outpatient Clinic has a continuing need for 21,725 RSF of clinical space.

The requirement for 21,725 RSF of space is a temporary need to continue the services until the clinic can be relocated into the Missoula Federal Building.

This requirement is for 21,725 RSF of space for approximately 7 years including the past 2 years that the current lease was in holdover. The new lease, non-firm term, with no options will not exceed April 30, 2020. The estimated annual unserviced cost of this lease is [REDACTED] for an annual rate of \$282,425.00 and a total contract value of \$1,412,125.00. The expansion from 18,021 RSF to 21,725 RSF will cost approximately \$70,000 or \$0.45/RSF. The delineated area is:

North Boundary – Interstate 90  
East Boundary – South Higgins Avenue  
South Boundary – 39<sup>th</sup> Street (York Road)  
West Boundary – Highway 93 (South Reserve Street)

4. **Statutory Authority Permitting Other than Full and Open Competition:** The proposed lease may be negotiated without full and open competition pursuant to 41 U.S.C. 253(c)(1), as implemented by
  - (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):** GSAM 570.402-5 allows for negotiation with the incumbent Lessor when a cost-benefit analysis show that the Government cannot expect to recover relocation and duplication cost through competition. The Department of Veterans Affairs placed an advertisement conforming to GSAM 570.402-2 on the Federal Business Opportunities Web site (fedbizopps.gov) on April 16, 2015 and received no responses. The incumbent Lessor's expression of interest indicated that the rate would be \$13.00.

Award to other than the current Lessor would require relocation of the entire requirement and would cause The Department of Veteran Affairs to incur move and replication costs that would not be recovered through competition.

Cost-benefit Analysis Acquisition of 22,383 ANSI/BOMA Clinical (ABOA) Square Feet 5-Year (Full Term) Analysis:		
	Present Location	Alternate Location
5-year total rent/annual ABOA Rate (shell and operating costs only)	\$1,941,725.25	\$1,499,661.00
New Amortized Tenant Improvements This estimate is developed by using the VAMC Cost Guide for VISN 19: Rocky Mountain Network as of June 2014. The cost range is \$82.00 to \$312.00 ranging from Light Renovation to New respectively.	\$0.00	\$1,835,406.00
Cost of physical move	\$0.00	\$16,500.00
Voice and data move: Estimate provided by Lantek	\$0.00	\$67,149.00
Total 5-year cost/annual ABOA rate (no escalations included)	\$1,941,725.25	\$3,418,716.00
Full term lease savings	\$1,476,990.75	

The cost of relocating The Department of Veteran Affairs using the rates listed on Loopnet.com from a comparable property exceeds the cost of remaining at 2687 Palmer, Missoula, Montana 59801. The savings to the Government is \$1,476,990.75. Based on this cost-benefit analysis, the Government cannot expect to recover relocation and duplication costs through competition. Therefore, the Government intends to negotiate a succeeding lease and remain at its current location.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** On January 8, 2015 a search was mad on Loopnet.com that identified two potentially acceptable locations that could meet the required footage. Both locations are retail space located in major shopping centers and would require 100% build-out to meet the VA's clinical requirements. In addition, an advertisement was place in FedBizOpps on April 16, 2015. The Department of Veterans Affairs received no response.

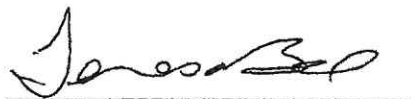
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** In accordance with Federal Acquisition Regulation (FAR) 6.303-2(b)(7), the Contracting Officer determines by certifying this document that the anticipated cost to the Government of [REDACTED] per rentable square foot for unserviced rent is fair and reasonable based on the market research using Loopnet.com.

Additionally, in accordance with Draft VA Handbook 7815 Chapter 6, paragraph C (1) the CO is require pursuant to FAR Subpart 15.4 to determine reasonableness of price. An appraisal must be completed for all VA leases to establish that the recommended offer is a fair rental value. Therefore, the awarded price will be in line with an appraised fair rental value.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** On January 8, 2015 a search was mad on Loopnet.com that identified two potentially acceptable locations that could meet the required footage including the incumbent.

Address	Asking Triple Net Rental Rate
2687 Palmer (incumbent)	\$13.00
2640 N Reserve	\$11.00
1900 Brooks Street	\$11.00

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** None
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** None.
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:**  
Consistent with the Competition in Contracting Act, full and open competition will be undertaken in future requirements for The Department of Veterans Affairs Missoula, Montana, as future opportunities are available.
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.



Teresa Bell  
Facility Planner  
Missoula Community Based Outpatient Clinic

5/21/15  
Date

13. **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.

DMT04259-001 Missoula Community Based Outpatient Clinic

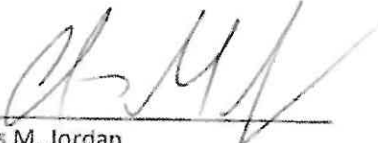
Michael  
Chester  
1017991

Digitally signed by Michael Chester  
DN: cn=Michael Chester,  
o=Missoula Community Based Outpatient Clinic,  
ou=Missoula Community Based Outpatient Clinic,  
email=Michael.Chester@mt.gov,  
c=US,  
Reason: I am the author of this document.  
Date: 2015.05.28 08:51:29 -0500

Michael Chester  
Contract Officer  
NCO 19 Rocky Mountain Contracting Center

Date

- b. Director of Contracting /Designee (Required \$150K and above): I certify the justification meets requirements for other than full and open competition.

  
Curtis M. Jordan  
NCO19 Director of Contracting or Designee  
SAO West

Date