

## JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition Operations  
Technology Acquisition Center - Austin  
1701 Directors Blvd, Suite 600  
Austin, TX 78744
2. Description of Action: The proposed action is to establish a single award Indefinite Delivery Indefinite Quantity (IDIQ) contract to provide maintenance and repairs, to include services and ancillary equipment, for the Emergency Diesel Generator System (EDGS) located at the Austin Information Technology Center (AITC). The IDIQ will have a 34-month ordering period and allow for individual orders to be issued on a firm-fixed price and time-and-materials basis.
3. Description of Supplies or Services: The proposed action is to provide generator maintenance to include project management, weekly testing, load testing, inspection, emergency/non-emergency repairs, associated reports, and the procurement and installation of required parts to support EDGS operations. The AITC processes data that is considered a lifeline to Veterans and constant availability of that data is crucial. The AITC facilities department is responsible for ensuring the data center will not experience any power loss or electrical outage under any circumstance, 24 hours a day and seven days a week (24/7). The AITC EDGS is used as the backup power system to mitigate the risk of a power outage. The EDGS consists of six Cummins, Inc. (Cummins) brand name generators and associated equipment operated through the Cummins Master Control Station (MCS). Contractor services are required to remotely monitor the system 24/7 using the MCS and provide maintenance, repair and on-call services for the generator equipment and associated wiring. The required services include maintenance for the MCS, including generator command centers (including associated software), transfer switches, switch gears, air intake dampers, day tanks/pumps, fuel blocks, electrical breakers and feeders. [REDACTED]
4. Statutory Authority: The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1) as implemented by the Federal Acquisition Regulation (FAR) 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."
5. Rationale Supporting Use of Authority Cited Above: The proposed action will be solicited on the open market as a small business set-aside. The EDGS consists of generators, associated equipment, and the MCS, all manufactured by Cummins. The MCS contains Cummins-developed software that allows a VA technician to monitor the health of each of the generators from the MCS position. In addition, it is used to run the tests specified in the Performance Work Statement (e.g., weekly test). Further, the MCS performs automatic transfer (switchover) during a power outage to prevent interruption of electrical services to maintain data center functions. The MCS is vital to ensuring power is not lost at the AITC.

There are certain aspects of EDGS maintenance (described below, and mostly centered around maintenance of the MCS and its software) that only Cummins, the original equipment manufacturer, can perform. Instances where only Cummins can perform the work include:

- MCS repair(s), including software patches and updates, since the software is proprietary and only Cummins is authorized to upgrade the software
- Quarterly preventive maintenance on the MCS (including the MCS software), again, because the software is proprietary
- Any major systems failure with the MCS

The MCS software communicates to all generators via a Cummins proprietary protocol which only Cummins, the original equipment manufacturer of the EDGS and MCS, can maintain or repair. Failure to maintain the MCS will result in the inability to monitor or run required tests, which would place the generators at greater risk of power outages. Because the MCS software is proprietary, Cummins will be required to perform services and/or provide ancillary equipment to sustain EDGS functions.

Based on historical data, there will be instances when orders placed on the proposed contract will require both MCS services and generator services. VA requires that any source have the ability to provide all the required services at the same time in order to ensure the generators and MCS remain operational. If this proposed action was separated into two contracts for MCS services and generator services, the above referenced instances that require both services at the same time would not be met. Specifically, the MCS services and generator services have to all be properly configured at once to ensure the generators remain functional. Additionally, awarding separate contracts for the Cummins and non-Cummins work is not a tenable solution; the administrative burden would be high on both the VA, and, in general, awarding to two different contractors to maintain the same system(s) will result in confusion on which party is responsible to maintain which component. Given the criticality of the EDGS and the time-sensitive nature of repairs, any confusion over which contractor is responsible for a repair is unacceptable for the end user. VA plans on awarding to a small business capable of subcontracting with Cummins. In order to maximize competition, VA will require a source to use Cummins as a subcontractor as opposed to issuing a sole-source action to Cummins. However, since the contractor will be required to subcontract directly with Cummins on MCS systems, competition is limited.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's requirements. It was determined, however, that limited competition is viable in the open market. The ordering activity will make publicly available the justification along with the solicitation in accordance with FAR 6.302-1(c). Any proposals that are received shall be evaluated. Additionally, in accordance with FAR 5.201, this action will be synopsisized at award on Federal Business Opportunities (FBO). Any responses recieved shall be evaluated.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed.

8. Market Research: A Request for Information (RFI) was issued on December 3, 2015, on the FBO website. The RFI was issued to identify capable sources and determine if there are alternate solutions to meet the original equipment manufacturer's (OEM) service requirements. The RFI yielded three responses: Cummins, a large business; Clifford Powers, a large business; and Innovative Federal Operations Group, Inc. (IFOG), a service-disabled Veteran-owned small business (SDVOSB). The responses received from both Cummins and Clifford Powers indicate the ability to provide the required maintenance and repair services and neither source presented an alternate solution (e.g., other than subcontracting to Cummins) to meet the OEM service requirements of the EDGS. IFOG merely submitted marketing information minimally related to the requirements stated in the RFI. On February 11, 2016, the contract specialist requested further information from IFOG to determine its capabilities, however, the additional detail submitted was marketing material and still insufficient to conclude whether it is a viable source. Further market research was performed to review capabilities of previous/current service providers and other generator technicians in the Austin area capable of meeting the required emergency response time. Austin Welder and Generator Service, Inc., was identified as another capable small business source based on current services provided to VA. Although Austin Welder and Generator Service did not respond to the RFI posted in December, they expressed their intent to provide a proposal (using Cummins as a subcontractor) in response to the resulting solicitation in February 2016. Another small business, NORCOM, Inc., submitted an offer for the solicitation of a bridge contract for generator services, awarded April 1, 2016. While NORCOM was not awarded the bridge contract, they appear capable of performing the required services (including using Cummins as a subcontractor). Based on market research results, limited competition is expected, and since VA identified two small businesses in the local area capable of performing under the contemplated contract, the proposed action will be solicited as a small business set-aside on FBO.

9. Other Facts: Two of the generators (generators five and six) still have warranty coverage through Cummins. Utilizing Cummins as a subcontractor will ensure any issues detected on these generators that fall under the warranty coverage will be addressed quickly.