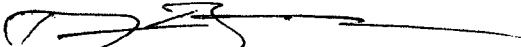


ROUTING AND TRANSMITTAL SLIP		Date	
TO: (Name, office symbol, room number, building, Agency/Post)		Initials	Date
1. NCO 6 Branch Chief- Review, Initial, and Forward		DB	5/4/2016
2. NCO 6, Division Chief Review, Initial, and Forward		slr	3/4/2016
3. NCO 6 Director of Contracting Review, Initial, and Forward		Alut	5-4-16
4. SAO East, SAO East Director (Acting)- Review , Initial, & Forward			
5. VHA Head of Contracting (HCA) - Review , Initial, & Forward			
6.			
<input checked="" type="checkbox"/>	Action	<input type="checkbox"/>	File
<input checked="" type="checkbox"/>	Approval	<input type="checkbox"/>	For Clearance
<input type="checkbox"/>	As Requested	<input type="checkbox"/>	For Correction
<input type="checkbox"/>	Circulate	<input type="checkbox"/>	For Your Information
<input type="checkbox"/>	Comment	<input type="checkbox"/>	Investigate
<input type="checkbox"/>	Coordination	<input checked="" type="checkbox"/>	Signature
<input type="checkbox"/>		<input type="checkbox"/>	Justify

REMARKS

SUBJECT: J & A for Other than Full and Open Competition over \$700,000.00.

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions	
FROM: (Name, org. symbol, Agency/Post)	Room No. - Bldg.
David Bullerwell, NCO 6	VISN 6, Room 1442
	Phone No.
	919-956-5541

DEPARTMENT OF VETERANS AFFAIRS

**Justification and Approval (J&A)
For
Other Than Full and Open Competition (>\$150K)**

Upgrade of Duke Energy Substation

1. Contracting Activity:

Department of Veterans Affairs, VISN 06, W.G. (Bill) Hefner Medical Center, located in Salisbury, North Carolina, proposes to enter into a contract on a basis of other than full and open competition.

2. Nature and/or Description of the Action Being Processed:

This requirement is for service to upgrade and replace existing 4.16kV Duke Energy substation to 12.47kV substation, to facilitate the installation of a new and upgraded energy efficient primary electric distribution system.

3. Description of Supplies/Services Required to Meet the Agency's Needs:

This requirement is for the electrical utility contractor, Duke Energy, to provide mobile 44kV to 4.16kV substation, temporary structures and wiring installation, and continuous electric power to the Salisbury VAMC campus during the entire upgrade installation. This also includes removing existing Duke Energy owned 44kV to 4.16kV station type transformer, installing new Duke Energy owned 44kV to 12.47kV station type transformer and tie-in installation to buildings 4, 8, 11, 11A/B/C, 12, 13, 14E/W, 15, 21 and 21 A/B. The total estimated cost for this project is \$735,000.00.

4. Statutory Authority Permitting Other than Full and Open Competition:

- (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):

Duke Energy is the only electric utility serving the geographic area. The existing main electric service substation at the Salisbury VAMC requires upgrade/replacement to support the funded installation (Project No. 659-13-102) of a more energy efficient underground electric distribution system. The existing substation is the sole property of Duke Energy and all required changes to the existing electric equipment to support the electric distribution changes requested by Salisbury VAMC must be implemented by Duke Energy.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

Market research was conducted via the internet search and confirmed that Duke Energy, a regulated electric utility operation, is the only available electric utility that provides transmission and distribution services (lines and wires) to the geographic area where the Salisbury VAMC is located.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

The Independent Government Estimate (IGE) was developed based on internet searches and researching RSMeans system. The final contract price will be determined fair and reasonable based on comparison to the IGE and other Government contracts for the same or similar services.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

Internet searches indicate that as a regulated utility, Duke Energy is required to provide reliable electric power to all of its customers. To accomplish this Duke Energy must maintain exclusive control over the methods and materials required to upgrade/replace the existing Duke Energy owned (and operated) substation installation. The Federal Energy Regulatory Commission (FERC) regulations, the Public Utility Regulatory Policies Act of 1978 and the North Carolina Utilities Commission would require that the Salisbury VAMC reimburse Duke Energy for any costs associated with its request. This is because the modifications to the existing Duke Energy delivery equipment are at the request of and for the exclusive benefit of the Salisbury VAMC, and the required modifications would not enhance the electric supply or reliability of other Duke Energy customers. Additionally, Duke Energy must maintain the aforementioned exclusive control; the VA does not have the option of procuring its own contractor to perform the required work.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

North Carolina Public Utilities Act (1963, c. 1165, s. 1.) prohibits changing electric utility suppliers after an electric utility supplier is established (Chapter 62-110.2

<http://www.ncga.state.nc.us/gascripts/statutes/Statutes.asp>).

Duke Energy is the only provider of electric supplier in the Salisbury, NC, (<http://www.duke-energy.com/rates/DE-service-territory.asp>).

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

No additional sources were identified.

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:

There is no action that can be taken at this time. Duke Energy is the only electric utility serving the geographic area.

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.

JOSEPH M
LAURER 111680

Joseph Laurer
Chief Engineering
Salisbury VAMC

Digitally signed by JOSEPH M LAURER 111680
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Date: 2016.04.29 13:57:43 -04'00'

4/29/2016

Date

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

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

David C.
Bullerwell 143957

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0.9.2342.19200300.100.1.1=david.bullerwell@
va.gov, cn=David C. Bullerwell 143957
Date: 2016.05.03 11:16:20 -04'00'

05/03/2016

David Bullerwell
Branch Chief
NCO6

Karen L. Coccio
413099

Digitally signed by Karen L. Coccio 413099
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0.9.2342.19200300.100.1.1=karen.coccio@v
a.gov, cn=Karen L. Coccio 413099
Date: 2016.05.04 09:55:15 -04'00'

Date

- b. **Director of Contracting /Designee (Required over\$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.

Daphne P.
Jackson 420915

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420915
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@va.gov, cn=Daphne P. Jackson 420915
Date: 2016.05.04 10:44:01 -04'00'

Nancy Bailey
Director of Contracting
NCO6

Date

- c. **VHA SAO 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 recommend approval (if over \$13.5 million) or approve (\$700K to 13.5 million) for other than full and open competition.

VHA Head of Contracting Activity (HCA)

Date