

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA255-16-AP-4974

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: CJ Seto Support Services

Manufacturer/Contractor POC & phone number: Chet Seto, 805-644-1214

Mfgr/Contractor Address: 2300 Knoll Drive, Unit G, Ventura, CA

Dealer/Rep address/phone number: SAME

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

Network Contracting Office (NCO) 15

3450 South 4th Street

Leavenworth, KS. 66048

VISN:

15

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

Safety Data Sheet (SDS)/Chemical Inventory and Hazardous Waste Manifest Repository Service

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

The Veterans Affairs (VA), Center for Engineering & Occupational Safety and Health (CEOSH) currently has a contract subscription service to maintain and manage the CEOSH SDS/Chemical Inventory system of over 77,000-plus active SDSs in the VA catalog, with direct access to over 5 million. The service is required per the VHA USH approved Executive Decision Memorandum and DUSHOM Memo to standardize the service across the VHA. The service must be accessible via the Intranet by all VA locations/facilities. The SDSs are indexed with value added fields and updated every three years. Discontinued and obsolete SDSs are archived and kept for thirty years in accordance with 29CFR1910.1200. The system/service must be able to simultaneously support over 340 Veterans Affairs (VA) locations/facilities with current SDS information and inventories at all VA locations/facilities, as a method to comply with 29CFR1910.1200, and support facility and VISN level supplemental environmental agreements with the U.S. Environmental Protection Agency (EPA).

(b) ESTIMATED DOLLAR VALUE: \$2,447,000.00 (Base + 40Y)

(c) REQUIRED DELIVERY DATE: October 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 current service was configured, and has been maintained since, by CJ Seto Support Services, LLC of Ventura, California. Providing service level knowledge/methods that incorporate unique VA field(s)/data that may be interfaced with other VA capital asset programs; perform associated inventories and transactions; and training to 340,000+ VA employees. Service training (3 courses) was developed with the VA Employee Education Service and deployed for service administrators and all VA staff, based on these service methods. Therefore, Per FAR Part 8.405-6 (C), in the interest of economy and efficiency, the continuing work is a logical follow-on to the original Federal Supply Schedule order VA255-13-F-2784 which was placed in accordance with all applicable Federal Supply Schedule ordering procedures.

A patent, copyright or proprietary data limits competition. The proprietary data is: N/A

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

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.

System/service configuration must be 100% compliant with the existing system/service with no break in service. The system/service must be transferable to support the existing 198 locations (expandable to >340), 15,000+ unique sites, 300,000+ SDS/site associations, and 77,000+ VA unique SDS catalog. The system/service must be transparent to the Administrator and field user that will require training of 2,000+ Administrators and VA staff. Failure to provide a completely transparent system/service, with no break in service place the VA non-compliant with OSHA, EPA, Joint Commission, VA and other regulatory requirements.

System/service resides on the vendor's system and accessible to VA through an intuitive, browser-based user interface and the vendor has demonstrated >99% server availability and network redundancy to ensure the highest levels of reliability.

Provide a system/service that is multi-lingual capable and fully compliant with the OSHA Globally Harmonized System to produce SDSs and associated labels.

Provide access to the application for CEOSH and other VA personnel to provide role-based presentation. Ability to have at least 5 levels of administration (administrator, national, regional, local, and site) and mask location/facility inventories from other locations/facilities.

Provide the functionality within the software for the assignment of SDSs to departments, locations/facilities and the ability to develop chemical inventories as required by OSHA, at all organizational levels. Provide the VA with the means to comply with OSHA's Right to Know regulations including 30 year archival capability in accordance with 29CFR1910.1200.

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Limited Sources Justification Format >\$150K

System/service provides a single VA unique repository of current and archived electronic SDS documents that are updated at least tri-annually, with the most current version accessible electronically for all VA locations/facilities and the old SDS archived and accessible.

Provide a means to continue the current auto-generated VA ID# feature for each SDS indexed in the VA System.

Provide capability to electronically process location/facility product inventories and associate them to the department/location/facility site structure.

Provide ability for users to export backup copies or produce paper copies of VA locations/facilities SDSs and chemical inventories.

Provide capability to be alerted when a newer version of an SDS in their inventory is available. Alert should clearly identify the change to the SDS.

Provide capability for a chemicals/products approval process; to support management and control of chemicals/products entering the location/facility. Capability must provide designated staff with routine notifications when new chemicals/products will be added to location/facility/site/department inventory.

Provide capability to view SDSs and location/facility inventories from a smartphone application. Administrators should be able to use this application to search or scan Universal Product Codes (UPCs) associated with the products/chemicals, scan barcodes and automatically retrieve the relevant SDS, and update inventory information.

Provide capability to access complete inventory information to include snapshots of statistics, inventory history and a report showing current inventory (by location, by product, by CAS RN, etc).

Provide capability to upload inventory volume/quantity information and produce regulatory reports that list ingredients of any product/mixture.

Provide capability to monitor activity within a specific location. Reports should have flexibility to track by date, specific administrator, specific task performed and be compiled and available in different formats for manipulation by user.

Provide capability to generate regulatory (federal and state) reports by product or CAS #.

System/service provides a hazardous waste manifest repository and reports for all users that captures 14 key fields for facility reporting.

Provide ability to compare chemicals/products in the VA catalog or location/facility inventory against similar products to analyze for "greener" products in the vendor's entire SDS catalog.

Provide live assistance 24-7-365 for all SDS requests (during CEOSH non-business hours) that will provide VA staff access to all SDSs and fax back.

Provide system training sessions (at least monthly) for system/service users/administrators.

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.

The contractor was originally awarded task order GS-10F-0408R/VA255-13-F-2784 and performed flawlessly for three years, the duration of the contract. According to FPDS and eCMS, the original task-order was solicited on FSS-RFQ VA255-13-R-0825 using full and open competition with no set-aside.

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

(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:

A case study (provided with justification) performed at the direction of the VA Office of Asset and Enterprise Management (OAEM) completed in 2010 validated the cost savings of the existing product/service and process. In addition, a cost benefit analysis (updated January 2016) was performed and represents a current savings in excess of \$8.24M when utilizing our current users. Therefore, Per FAR Part 8.405-6 (C), in the interest of economy and efficiency, the continuing work is a logical follow-on to the original Federal Supply Schedule order VA255-13-F-2784 which was placed in accordance with all applicable Federal Supply Schedule ordering procedures.

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

Market research and study of other commercial vendors is continuously assessed for value and capability. All are considered throughout the contract period to assess viable programs which are efficient/effective to meet VA needs at the lowest cost that meet minimum capabilities identified in this justification.

VISN 22 contracted with a vendor for one year for an estimated cost of \$1.4M to provide similar service. Several other VISNs have employed other vendor software at a significantly higher cost, and represented in the OAEM case study.

Another fact regarding the market research that bears mentioning is the recent Supreme Court decision in the *Kingdomware Technologies, Inc. v. United States* case. It is believed that a sole source award to CJ Seto Support Services does not violate Public Law 109-461 section 8127 (d) or the *Kingdomware* decision because the company is not only an FSS contract holder, but also a service-disabled veteran-owned small business that has been certified in FEDVIP.gov.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

VA OAEM study and SDS/Chemical Inventory Service business case analysis are included. The service infrastructure (sites, inventories, administrators, etc.) setup alone has significantly reduced the cost.

(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:

Market research and study of other commercial vendors are reviewed and considered throughout the contract period to assess viable programs which are efficient/effective to meet VA needs at the lowest cost that meet minimum capabilities identified in this justification.

(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 knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

SIGNATURE
Howrey G. Ferguson
NAME

DATE
08/17/2016

Chief, Safety & Health Technical Services
TITLE

SDS/Chemical Inventory Service
SERVICE LINE/SECTION

VHA Center for Engineering & Occupational Safety and Health (CEOSH)
FACILITY

(10) 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.

CONTRACTING OFFICER/DESIGNEE'S SIGNATURE
Kevin C. Wallace Contracting Officer
NAME AND TITLE

DATE
08/17/2016

NCO 15 Contracting
FACILITY

HIGHER LEVEL APPROVAL (For orders over \$500,000): **REQUIRED** **NOT REQUIRED**

b. Branch Chief: I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.405-6 (a)(1)(c).

Dean Harrison
Branch Chief, General Services
NCO-15

DATE
08/17/2016

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
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c. Director of Contracting: I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.405-6 (a)(1)(c).

Scott R. Fiscus
NCO 15 Director of Contracting

DATE

HIGHER LEVEL APPROVAL (Required For orders over \$700,000):

c. VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$13.5 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

Linda S. Greaves
Acting Director, SAO Central Region
SAO Central Head of Contracting (HCA)

8/22/2016

DATE