

DEPARTMENT OF VETERANS AFFAIRS

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

1. **Contracting Activity:** Department of Veterans Affairs, VISN 23, Network Contract Office NCO 23, 1303 5th Street, Suite 300, Coralville, IA, Attention Mr. Thomas Brick and Mr. Gary Rogers.

2237# 636-17-1-9777-0002 in the amount of \$ _____ for the base year of December 1, 2016 through November 30, 2017.

2. **Nature and/or Description of the Action Being Processed:** VA-Central Iowa Health Care System (VA-CIHCS) has a new (two year firm, three year soft) firm fixed price contract requirement for an emergency lease space for a VA operated Community Based Outreach Clinic (CBOC) in Fort Dodge, Iowa. An upcoming acquisition and merger of the current contract CBOC service vendor has prompted the requirement for a VA operated CBOC space. The merger partner has communicated that it does not intend to continue with or compete for providing contract CBOC services. It is the intent of VA-CIHCS to pursue a lease of the space used by the current CBOC service vendor upon the end of the contract, with a base year and including Year One from December 1, 2016, through November 30, 2018 firm term with a non-firm term of December 1, 2018 – November 30, 2020. This requirement will include the existing Fort Dodge Mental Health clinic requirements in with the Fort Dodge CBOC so it one requirements package.

J&As for Real Property Procurements, include the following information in accordance with Draft VA Handbook 7815 and GSAM Part 570:

- Existing space: The current CBOC service vendor lease space is 6606 SF of net useable space.
 - Existing lease number: The CBOC space currently used is leased by the CBOC service vendor (Tri-Mark) and not the VA.
 - Existing lease expiration date or existing lease: The current CBOC service vendor has communicated that it intends to end their lease of the current CBOC space upon the end of the current CBOC service contract on November 30, 2016.
 - A brief description of the action: Based upon current market conditions in the Fort Dodge area and in order to provide continuity of care to approximately 3,400 Veterans, the existing CBOC service lease space would be the best option. A new lease upon the end of the current CBOC service vendor lease period will allow for seamless transition to a VA operated CBOC on December 1, 2016.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** VA-CIHCS currently has a SCIP request in for a 14,000 SF VA operated CBOC in Fort Dodge, IA as part of a long range plan to transition from contract CBOC services to a VA operated CBOC. With one responsible source and no other supplies or services will satisfy agency requirements of the unplanned merger of the contract CBOC services vendor (Tri-mark), the need to immediately stand up a VA operated CBOC effective December 1, 2016, to serve in the interim is critical to maintaining services to Veterans in the Fort Dodge area. The current CBOC space leased by Tri-mark is 6606 SF of net useable clinical/ medical

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space and will meet the needs of the VA in the interim, while a long term lease continues to be pursued.

The estimated amount for the base year lease is _____ and a total five year cost of _____ based upon a 3% consumer price index (CPI) increase.

Independent Government Cost Estimate	
Contract Period	Estimated Annual Cost
Base Year (December 1, 2016 – November 30, 2017), firm term	
Year One (1) (December 1, 2017 – November 30, 2018, firm term	
Year Two (2) (December 1, 2018 – November 30, 2019), non-firm term	
Year Three (3) (December 1, 2019 – November 30, 2020), non-firm term	
Year Four (4) (December 1, 2020 – November 30, 2021), non-firm term	
Five Year Contract Total	

3% increase per year based on Consumer Price Index (CPI)

4. Statutory Authority Permitting Other than Full and Open Competition: 41 USC 3304(a)(1)\$253(c)(1), as implemented by FAR 6.302-1. Based upon the unplanned end of contracted CBOC services in Fort Dodge, a requirement exists with Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1.

- (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 current space being leased by Tri-mark at 2419 2nd Ave North, Fort Dodge, IA 50501 is the best available space in the Fort Dodge, IA area that will meet the VA CBOC requirements without interrupting services to Veterans in the area. It is currently supporting the requirement for CBOC services and can continue to be a useful space under a lease with the VA with no modification and little to no interruption to access of care. The short amount of time available before the current vendor ends CBOC services is too short for open competition, and the required build-out of a new space. The current CBOC location space will be an adequate interim space while a solicitation can be made on the open market for a long term CBOC lease once designed, budgeted, and approved.

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6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: Market research was conducted of the Fort Dodge area for potential lease spaces that could support the CBOC space requirement. Market research results showed that there are no viable alternatives to the 2419 2nd Ave North, Fort Dodge, IA 50501 CBOC space currently being leased used by Tri-mark at the present time.

Current CBOC location:
2419 2nd Ave North, Fort Dodge, IA 50501
Leased by JAK Associates to Tri-mark
JAK Associates (Lessor)
15 South 1st Street
Fort Dodge, IA 50501
(515) 576-5174

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable: There is currently a Mental Health Lease from JAK Associates: \$ per year for approximately 1,750 SF or \$/sq ft.

Furthermore, the Contracting Officer will make a fair and reasonable determination by utilizing one or more of (but not limited to) the following methods:

- (i) Comparison of previously proposed prices and previous Government and commercial contract prices with current proposed prices for the same or similar items, if both the validity of the comparison and the reasonableness of the previous price(s) can be established.
- (ii) Comparison of proposed prices with independent Government cost estimates.
- (iii) Comparison of proposed prices with prices obtained through market research for the same or similar items
8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted: Market research shows a very limited amount of available commercial lease/ sale space for medical use in the Fort Dodge area. The closest type of space is 9600 SF for sale that was the boys/ girls home on the north side (Century 21). This property would require significant work to make suitable for clinical/ medical use. For low end retail space, prices range from \$ per SF, and \$ per SF for high end retail. Loopnet had a former Golden Corral lease space listed in their commercial real estate site with no pricing or availability shown. Based upon the available space in the Fort Dodge market place, the only viable option for meeting the minimum needs of the Veterans will be to work with the current vendor's lease holder for a hand-off of the existing CBOC space at 2419 2nd Ave North, Fort Dodge, IA 50501 from Tri-mark to the VA effective December 1, 2016. The VA currently leases the mental health space (1,750 SF) in Fort Dodge from JAK Associates under contract for \$ per year.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition: None.

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

JAK Associates (Lessor) to Tri-mark for CBOC services lease space
15 South 1st Street
Fort Dodge, IA 50501
(515) 576-5174

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: This lease requirement is an interim contract while a long term combined CBOC lease space for Fort Dodge is sought.

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.

Paul J. Rasmussen
212201

Digitally signed by Paul J. Rasmussen 212201
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0.9.2342.19200300.100.1.1=paul.rasmussen@va.gov,
cn=Paul J. Rasmussen 212201
Date: 2016.11.02 12:03:36 -0500'

Paul Rasmussen
Chief of Engineering
VA-CIHCS

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.

Gary L. Rogers
250276

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0.9.2342.19200300.100.1.1=gary.rogers4@va.gov,
cn=Gary L. Rogers 250276
Date: 2016.11.02 12:09:10 -0500'

GARY L. ROGERS
Lease Contracting Officer
NCO 23, Coralville, IA

Date

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

Daryl A. Berg
429170

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0.9.2342.19200300.100.1.1=daryl.berg@va.gov,
cn=Daryl A. Berg 429170
Date: 2016.11.22 15:44:24 -0600'

Daryl A. Berg
NCO 23 Director of Contracting

11/22/2016

Date

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- 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 approve for other than full and open competition.

Linda S.

Greaves 404790

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va.gov, cn=Linda S. Greaves 404790
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11/29/2016

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

Date