

**LIMITED SOURCES JUSTIFICATION**

**FAR PART 8.405-6**

**Acquisition Plan Action ID: VA259-17-AP-1291**

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in paragraph 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:**

Contractor: Martek Global Services, Inc.

Contractor POC & phone number: Peter Vucinaj, VP, Director of MHS; 301-656-3700

Contractor Address: 7020 Norfolk Ave Suite 920, Bethesda, MD 20814

The requested service represents the minimum requirements of the Government.

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs  
Network Contracting Office 19  
4100 E. Mississippi Ave, Suite 900  
Glendale, CO 80246

**VISN: 19**

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

The Initial Outfitting Transition & Activation (IOT&A) for the replacement Denver Medical Facility requires the addition of Contractor Acquired Property (CAP) services for all medical and non-medical equipment. This includes CAP services for imaging machines, physical security systems, specialty telecom systems and other identified equipment/systems necessary to meet functional requirements.

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

Of the twelve buildings to be activated, Martek will provide CAP services not to exceed \$13.4M. Equipment to be procured by Martek will be approved and coordinated by a Contracting Officer from NCO 19. Purchasing requirement descriptions will be provided by the Contracting Officer Representative (COR). When CAP services are executed, the Contractor retains title to all property acquired, except for property identified and ultimately delivered and accepted as a deliverable end-item. The Government takes title to all deliverable end-items under the terms and conditions of the Government property clause, after review of the original purchase invoice as well as inspection and acceptance of the end-item.

**(b) ESTIMATED DOLLAR VALUE: \$13.4M**

**(c) REQUIRED SERVICE START DATE: April 3, 2017**

**(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.**

The new work is a logical follow-on to an original Federal Supply Schedule order FAR 8.405-6. Martek competed for and was awarded Activation Contract Services under Multiple Award Task Order Contract (MATOC), Task Order VA701-16-J-0046. The scope of work awarded to Martek includes broad Initial Outfitting and Transition & Activation (OIT&A) services to include: Project Management, Furniture, Fixtures and Equipment (FF&E) planning and procurement package preparation, Operational and Transition Planning, Move Management, Warehouse Management, Installation Testing and Training & Project Close-Out Services. However, as an oversight and contrary to industry best practices, CAP services were not included in the original order.

In the interest of economy and efficiency, enabling Martek to provide CAP services as a complement to the existing IOT&A order will reduce costs and save time procuring equipment. Following best practices of hospital activation procurements depends on a unified progression from the development of requirements to their procurement. In developing the requirements, Martek has invested substantial time and effort towards learning the technical basis of FF&E procurement. Martek already possess familiarity with the administrative procedures and protocols associated with planning, tracking and implementing a comprehensive activation effort.

To have one contractor develop the requirements and then to hand off to a second contractor for procurement will increase costs and reduce efficiency. Inefficiencies would be the time required to develop and transfer the requirements from Martek into an electronic data interchange, and then to have a second contractor retrieve the requirements for procurement. Inefficiencies would include the considerable time and cost required to develop and transfer the requirement from Martek into an electronic data interchange; the time and cost to bring in a second contractor to retrieve and implement the procurement requirements; and the transition period and training required to bring a new contractor up to the performance and expertise level already possessed by Martek.

Efficiencies will be gained by Martek identifying the requirements and procuring without the need to develop a procurement package. It is estimated that 6 hours are required to develop a procurement package including the time to transfer to a second contractor. With an estimated 200 requirements, the government would avoid an additional 1,200 hours of salary dollars.

Furthermore, CAP services is the only Contract Line Item that was not included in the original order. Martek is the logical contractor to transact CAP services with efficiency and with less risk than would be otherwise be incurred by bringing in a new contractor. The risks associated with coordinating award and delivery notices, receipt of goods delivery resolution, and quality assurance issues in a constantly changing construction environment and dynamic timelines would significantly increase with the addition of a second contractor. Enabling Martek to provide CAP services for FF&E procurements as a complement to the existing IOT&A order will ensure organizational continuity while simultaneously facilitating open communication, and significantly reduce performance, cost and schedule risks.

**(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:**

All CAP will be purchased off GSA schedules as a direct cost to the government. No purchases will be made without prior written approval of the COR. All offered service pricing will be reviewed by the Contracting and Contracting Officer's Representative upon receipt of the proposal, and reviewed for appropriate labor categories and proposed hours. Labor rates will be verified against the BPA's established rates and appropriate labor hours and categories will be similarly compared and verified.

**(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 was conducted that identified companies with NAICS code 541611 Administrative Management & General Management Consulting Services capable of providing these services. However, this is a logical follow-on to an existing order that will not be competed.

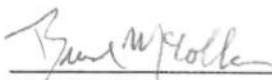
**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

Currently, NCO 19 and Program Contracting Activity Central (PCAC) are the buyers for procurement requirements developed by Martek. Adding a third buyer imposes additional risks to stability for the program. Another source would require a steep learning curve to gain familiarity with established program management functions. The current task order's scope clearly identifies a 'critical need to support full stability by requiring the contractor to minimize changes to personnel and maintain continuity, knowledge of the contract and retraining of staff.' To add another contractor would contradict the expressed needs as detailed in the scope.

**(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:**

The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions for competition. Future orders against the National Initial Outfitting Transition & Activation services will be competed in compliance with small business regulations.

**(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.



SIGNATURE  
Bradley McCollam  
Activation Project Manager  
ECHCS

22 2017

DATE

**(10) APPROVALS:**

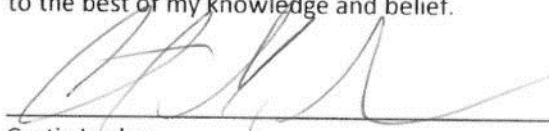
**a. CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Gary J. Arwood  
147825

Digitally signed by Gary J. Arwood 147825  
DN: dc=gov, dc=va, o=internal, ou=people,  
o=9.2342.19200300.1001.1-gary.arwood@va.gov,  
cn=Gary J. Arwood 147825  
Date: 2017.02.22 09:59:13 -0700

Gary Arwood  
Chief Division II  
NCO 19

**b. Director of Contracting/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



Curtis Jordan  
Director of Contracting  
NCO 19

Curtis M. Jordan

Director of Contracting, NCO 19

**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

Delia A. Adams, MBA, CPCM  
Director SAO West

6 March 2017

DATE