

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: [REDACTED]

1. **Contracting Activity:** Department of Veterans Affairs
Network Contracting Office 4
323 North Shore Drive, Suite 400
Pittsburgh, PA 15212
[REDACTED]
2. **Nature and/or Description of the Action Being Processed:** The proposed action is a firm-fixed-price contract to upgrade the various aspects of the Building Automation System (BAS), to include the Network Controller, hardware and temperature controls at the Corporeal Michael J. Crescenz Veterans Affairs Medical Center (Philadelphia VAMC). This procurement is in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The Philadelphia VAMC has a requirement for the following three (3) tasks involving the BAS at the Philadelphia VAMC: 1) Upgrade Community Living Center (CLC) Automation and Temperature Control by replacing the outdated pneumatic temperature system; 2) Upgrade existing Invensys R2 network controllers to the current Schneider Electric Intelligent Automation (I/A) Series N4 Front End in Buildings 1, 2, and 3 and perform license transfers in controller in Buildings 8 and 13; and 3) Upgrade the I/A Series System of automatic temperature control in the hospital's sterilization area. The total estimated amount of this action is [REDACTED]. The anticipated period of performance is 90 days after contract award.
4. **Statutory Authority Permitting Other than Full and Open Competition:** FAR Subpart 13.5 used in accordance with 41 U.S.C. 1901.
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 proposed source is CM3 Building solutions, Inc., ("CM3"), 185 Commerce Drive, Fort Washington, PA 19034. CM3 is the original BAS developer and installer of the BAS equipment at the Philadelphia VAMC. CM3 also writes the software and graphics, which controls the equipment. The hardware is proprietary to Schneider Electric, which is then sold to CM3 under an exclusive agreement. The software is also sold from Schneider Electric to CM3. CM3 then customizes the software by creating databases, graphics, and programing tools. The integrated platform is proprietary to CM3.

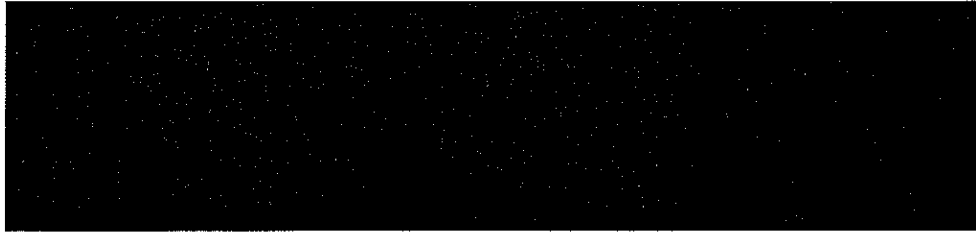
The current BAS controls system is not properly working. Philadelphia VAMC personnel must make all temperature changes to patient care areas manually. Since the older equipment has become obsolete, CM3 needs to upgrade the Network Controller (gateway) so that the old equipment will be

able to "speak" to the new equipment. This way, the Philadelphia VAMC personnel will again be able to regulate temperature via the controls. In addition, the CLC is operated by "air" technology. This pneumatic equipment is no longer available in the market place. This equipment in the CLC will be changed out and replaced with Schneider Electric equipment and a network controller so that it is operable with the rest of the BAS.

CM3 is an independently owned field office for Schneider Electric. Schneider Electric manufactures the Schneider Electric I/A Intelligent Automation System solely for CM3. CM3 provides the I/A line and other diverse solutions which incorporate manufacturer's proprietary BAS into a web based platform. Due to the ongoing needs of the veteran beneficiary population, the Philadelphia VAMC needs to maintain the integrity of the physical plant services necessary to keep the hospital running and not at risk for patient care. The proposed upgrades and equipment are needed. Without this requirement, a disruption in services could result in increased health risks and possible serious injuries to veteran and employees at the Philadelphia VAMC.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** The Contracting Officer posted a synopsis for this requirement to the Federal Business Opportunities (FBO) website on May 12, 2017 in accordance with (IAW) FAR 5.201. The Contracting Officer also searched the Vendor Information Pages database for any service-disabled, veteran owned, and veteran owned small business concerns that may be eligible to perform this requirement. Two informal vendor quotes were obtained from two (2) small businesses by the requiring activity [REDACTED]. Both sources indicated in the informal vendor quotes a need to subcontract with CM3 to perform this requirement. The Government did not conduct additional market research for this requirement due CM3 having known proprietary rights to the BAS in use at the Philadelphia VAMC. The requiring activity will monitor the market for developments regarding the ability of other sources to perform this work.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Contracting Officer will determine price reasonableness IAW FAR Part 13.106-3.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** See paragraph #6 above.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** See paragraph #5 above.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** On May 17, 2017, [REDACTED] responded to the FBO synopsis and indicated that it could perform this requirement. During a discussion with the Contracting Officer on May 18, [REDACTED] that it would have to subcontract to CM3.
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:** See paragraphs #8-10 above.

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.



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.



- 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.

