

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

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA701-17-AP-0207

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:

Manufacturer/Contractor:	<u>Venergy Group LLC</u>
Manufacturer/Contractor POC & phone number:	<u>Corey Clive 561-676-8382</u>
Mfgr/Contractor Address:	<u>1217 Delaware Ave Fort Pierce, FL 34950</u>
Dealer/Rep address/phone number:	<u>N/A</u>

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

(1) AGENCY AND CONTRACTING ACTIVITY:	<u>Department of Veterans Affairs (VA)</u> <u>Program Contracting Activity Central</u> <u>6150 Oak Tree Blvd. Suite 300</u> <u>Independence, OH 44131</u>
VISN:	<u>Program Contracting Activity Central</u>

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

This limited source justification is for the ongoing management of the Department of Veterans Affairs VA Nationwide Metering Program. This service includes ongoing management of the metering system, hosting, managed services, and support and assurance for a period of six months and an orderly shutdown of the metering system at the conclusion of this contract that will include all historical data being returned to VA in flat files. VA National Metering Program renewal contract includes monitoring for the following:

VA National Electric Metering for VISNs: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 21, 22 and 23.

VA National Mechanical Metering for VISNs: 1, 2, 3, 4, 5, 6, 9, 10, 15, 17, 18, 19, 21, and 22.

This procurement will follow the VA sole source authority in 38 U.S.C. 8127 (c) for contracts not exceeding \$5,000,000, if appropriately justified and approved pursuant to FAR 6.302-5(c)(2)(ii).

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

Provide a temporary service to avoid a break in service for the National Hosting and Support network services for the VA Nationwide Metering Integration Software system. These hosting and support services will include:

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- i. Wireless Network Monitoring providing wireless service for 1235 buildings located on 206 sites throughout the VA.
- ii. Hosting Support and managed Services at Schneider's facility located in St. Louis, Missouri with 24/7/365 coverage.
- iii. Network Assurance providing support for all hardware in the network. This includes Modems, routers, Gateways, UPS, and Radios.

(b) ESTIMATED DOLLAR VALUE: \$613,200.00

(c) REQUIRED DELIVERY DATE: 1 May 2017 – 31 October 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.

☒ 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.

This justification and analysis is to provide rationale for the Contracting Officer's decision to award the Nationwide VA Metering Program sole source to a Service Disabled Veteran Owned Small Business (SDVOSB) firm, Venergy Group LLC, for a six-month performance period while following the guidance of the Vets First Contracting Program and Public Law 109-461.

The current metering system is a Schneider Electric EEM system used as the foundation for the VA's national energy program, and can only be administered and/or managed by Schneider Electric or their approved proxy/partner; third party management of this hosted system is not permitted.

In order to meet veteran owned small business goals and preferences outlined in the sole source authority in 38 U.S.C. 8127 (c), contracts awarded pursuant subsection (b), (c), or (d) to small business concerns owned and controlled by veterans with service-connected disabilities are the prioritized preference for award. Schneider Electric is a large business and for that reason does not meet the priority for contracting preferences. However, Schneider has approved for the SDVOSB firm, Venergy Group LLC (Venergy), to access this system in the circumstance that Venergy is awarded the meter monitoring contract as the prime contractor and Schneider Electric is the subcontractor. Therefore, Venergy is uniquely qualified to meet this requirement as they are the only contractor other than Schneider Electric that is approved to access the metering system.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is:
(If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

The current VA meter monitoring system that is in place is a proprietary Schneider Electric EEM system which is used as the foundation for the VA's national energy program and can only be administered

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and/or managed by Schneider Electric or their approved proxy/partner. Third party management of this hosted system is not permitted. Schneider Electric has approved for only Venergy to access the proprietary system.

☐ 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.

☐ 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.

☐ 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:

The meter monitoring equipment is highly specialized for the VA and there would be a substantial duplication of cost to the government for another metering infrastructure to be implemented by a contractor other than the system which is already in place by the incumbent or their approved proxy, Venergy Group. For a contractor other than a Schneider Electric approved proxy to be able to perform these services, an additional infrastructure system would be needed, resulting in duplication of costs. Additional time would also be needed for the installation of infrastructure that would be needed for an award to be made to a contractor other than Venergy.

Venergy has been authorized by Schneider as the only contractor other than Schneider to access the existing proprietary metering system. By Venergy being allowed access to this existing system, the CO believes that Venergy will be capable to perform the work at a fair and reasonable price that provides best value to the Government.

In accordance with the Vets First Contracting Program and Public Law 109-461 (Dec 22, 2006) the Contracting Officer has followed guidance for sole source contracts for contracts above the simplified acquisition threshold. Venergy Group, LLC is determined to be a responsible source with respect to performance of such contract opportunity. Venergy Group, LLC is expected to have an anticipated award price that will exceed the simplified acquisition threshold but not exceed

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\$5,000,000. Additionally, the CO has determined that a sole source award to Venergy Group LLC can be made at a fair and reasonable price that offers best value to the Government. Venergy Group LLC is a registered SDVOSB and awarding to Venergy would follow to the government's requirement to follow public law 109-461 regarding awarding to a veteran owned small businesses when applicable. In order to achieve small business contracting goals and to increase contracting opportunities for small business concerns owned by veterans with service-connected disabilities, the CO has determined that a sole source to Venergy Group represents the best value to Government.

(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 for this requirement includes a Sources Sought Notice posted to FedBizOpps and sent directly to service disabled veteran owned small business contractors listed in the Vendor Information Page (VIP), analysis of previous related procurements, research of sources, and the Contracting Officer's knowledge of the procurement situation. A full analysis of the market research can be found in the market research attachment. A summary of the market research pertaining to the sole source justification and analysis is described below.

The Contract Specialist published a Sources Sought Notice on FedBizOpps on June 14, 2017 under Solicitation Number VA70117N0083. Additionally, the Contract Specialist emailed the sources sought information to small business contractors listed under NAICS 238210. Six responses were received. Of the six responses, one was a Veteran Owned Small Business (VOSB) and five were SDVOSB. Two of the contractors that responded replied that they were not capable of performing the work. Of the four remaining contractors, the CO determined that Venergy was the only contractor that was expected to submit a quote for the service at a fair and reasonable price that would provide best value to the Government due to the existing proprietary system and infrastructure factor. Schneider Electric indicated that they would give permission solely to Venergy Group LLC (SDVOSB) to access the proprietary system. None of the other three contractors that responded are allowed access to the existing system, which will result in the expectation that the quotes provided by the remaining three contractors not to be fair or reasonable. With permission to access the proprietary system, the CO believes that Venergy is able to complete the service at a fair and reasonable price. Venergy is the only small business contractor that the CO has determined that award can be made to at a fair and reasonable price and offers best value to the United States.

This service has been previously provided by Schneider Electric and both the servers that host the VA's data and the software that currently manipulates and reports the data to the VA is owned by Schneider Electric. Schneider Electric has successfully performed ten task orders from the BPA before reaching the maximum order limitation. However, due to the restrictions posed by the hosting server and data manipulation software, the existing metering system cannot be connected to any other external system or contractor other than to Schneider Electric or Venergy Group, without the system potentially being compromised. Schneider Electric has agreed to allow only for Venergy Group to access the system in order to continue with short-term hosting and support services for a six-month period for the Government to prevent the loss of collected data and functionality of the VA Nationwide Metering Integration Software system. The CO determined through the market research efforts that Venergy Group is the only small business vendor that is expected to submit a fair and reasonable quote to provide best value to the government.

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(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

N/A

(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:

N/A

(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.)*

Phyllis Stange
Energy Portfolio Manager
Office of Asset and Enterprise Management

DATE

(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.

John Yallech, Jr.
Contracting Officer

Date

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

Richard Dahmen
Director of Contracting, PCAC

Date