

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA256-16-AP-10652

1. **Contracting Activity:** Department of Veterans Affairs, VISN 16, Network Contracting Office 16
G.V. "Sonny" Montgomery VA Medical Center
2237#: 586-16-4-523-1941
2. **Nature and/or Description of the Action Being Processed:** This is a new requirement for Emergency Boiler Plant repairs to both the plant and three boilers located at the G.V. "Sonny" Montgomery VA Medical Center in Jackson, Mississippi. The requirement will be a one-time, firm-fixed price, open market sole source contract, and follow FAR 13.5 Simplified Procedures for Certain Commercial Items.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:**

The services to be performed are corrective actions resulting from a steam generation safety device testing conducted in July of 2016. The tests were performed per VHA Boiler Plant Safety Device Testing Manual, 3rd Edition and per VHA Directive 2008-062 Boiler Plant Operations by VACO National Contract Vender, BEI.

Please see Attachment A – VAMC Boiler Plant Safety Testing Evaluation, dated July 26-28, 2016, for a listing of all deficiencies/recommendations.

Period of Performance: Date of Award through December 31, 2016.

Total Estimated value of the acquisition is \$425,000.00
(\$276,250.00 for repairs to deficiencies \$148,750.00 for Services/Installation)

4. Statutory Authority Permitting Other than Full and Open Competition:

- ☐ (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;

FAR13.5 Simplified Procedures for Certain Commercial Items: The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):

Extreme urgency exists due to the nature of the requirement. The G.V. "Sonny" Montgomery VA Medical Center in Jackson, Mississippi, operates three (3) boilers. Boiler One (1) is currently offline due to the noted safety deficiencies identified in the Safety Test Evaluation conducted in July 2016. Boiler Two (2) is non-functional as it will not fire due to the control malfunctions. Boiler Three (3) is the only functional boiler at this time with known deficiencies. If Boiler Three (3) were to go offline or become non-functional the entire VA Medical Center would have to cease ALL operations.

The Boiler Plant is currently non-compliant to VA regulations (described in Section #3) and at risk for catastrophic failure.

The Veterans Health Administration regards boiler safety as so important that they require as a matter of policy that Medical Center Directors be notified if a boiler safety device is found to be non-functional. Each safety device installed on the boilers or serving the whole boiler plant mitigates risk or is part of a system to mitigate risk. Safety devices and systems must be properly installed, properly calibrated, properly tested and maintained to mitigate risk. Boiler plants inherently have the potential for catastrophic failure. When a device is found to be inadequate, prompt repair is essential to ensure a safe working environment.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

Market research was performed and it was determined that Power Equipment Company is the only source that could provide the equipment and services in a timely manner. Power Equipment Company is the manufacturer of the boiler system which operates the boilers and is the only source available that can provide these services/deficiency repairs in a timely manner. All personnel with Power Equipment Company are trained specifically to work the CleaverBrooks Boiler systems. The control panels that need repairs/upgrades are manufactured by Hays-Cleveland which is a subcontractor for Power Equipment Company.

Due to the urgency of the repairs, limited market research was performed. There are 39 SDVOSB/VOSB identified in the Vetbiz registry with the NAICS 238220 and using the keyword "Boiler". Most of these businesses are located on the east coast and are not in proximity of the area. The requested vendor is not on GSA schedule. A keyword search was done on GSA utilizing boiler repair and no businesses were listed with this search.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

The Contracting Officer anticipates cost will be considered fair and reasonable to the Government. The Contracting Officer will compare market prices for the services with the quote received by Power Equipment Company.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

Due to the urgency of the repairs, limited market research was performed. There are 39 SDVOSB/VOSB identified in the Vetbiz registry with the NAICS 238220 and using the keyword "Boiler". Most of these businesses are located on the east coast and are not in proximity of the area. The requested vendor is not on GSA schedule. A keyword search was done on GSA utilizing boiler repair and no businesses were listed with this search.

The requested vendor is within 2 hours of the work site and is the manufacturer of the boilers used. Per the Service, the urgency of this requirement necessitates the work to be performed by Power Equipment Company.

Please note: Power Equipment Company is a small business however the NAICS 238220 identifies them as a large business.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

The requirement is utilizing Medical Center funding to fix the deficiencies identified and to continue the operation of the G.V. "Sonny" Montgomery VA Medical Center. Funding is set aside for 4th quarter of FY16. Award is requested to be made as soon as possible and no later than September 30, 2016, to ensure continued services for the Veterans utilizing this facility.

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

Power Equipment Company

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:

Future acquisitions shall be reviewed for competition and to identify barriers limiting the competition requirements.

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 3: Request for Sole Source Justification Format >\$150K

- 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.

TRACY RUGER
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Tracy E. Ruger
Chief, Facility Management Service
G.V. (Sonny) Montgomery VAMC

9/9/2016
Date

13. Approvals in accordance with the VHAPM, Volume 6, Chapter VI: OFOC SOP.

- a. **Contracting Officer or Designee's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Beth A. Cook
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Beth A. Cook
Contracting Officer
Division I, Services Team C
Network Contracting Office 16

Date