

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA261-17-AP-12365

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: Provide original manufacturer's name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer/Contractor: SIEMENS INDUSTRY, INC

Manufacturer/Contractor POC & phone number: DENNIS HUYNH, 510-303-6180

Mfgr/Contractor Address: 25821 INDUSTRIAL BLVD, SUITE 300 HAYWARD, CA 94545

Dealer/Rep address/phone number: DENNIS HUYNH, 510-303-6180

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

Network Contract Office (NCO) 21

5342 Dudley Blvd.

McClellan, CA 95652

VISN:

21

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

Justification and approval for Other Than Full and Open Competition for purchasing of HVAC Maintenance Services located at the VA Palo Alto Health Care System, CA.

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

The VA Medical Center in Palo Alto, CA requires HVAC Maintenance Services.

(b) ESTIMATED DOLLAR VALUE: \$695,000.00

(c) REQUIRED DELIVERY DATE: October 1, 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.

Siemens Building Technologies is the manufacturer and original installer of VA Palo Alto's Energy Management and Building Control System, also known as an Apogee Automation System. This system utilizes programmable logic controllers which are based on a proprietary PPCL programming language. As such, Siemens is the sole and proprietary provider of the service to the system.

This system controls over 80% of the HVAC and critical environments within the VA Palo Alto and VA Menlo Park campuses. The Apogee platform is the only approved automation system for new installations, per VA Specification.

Siemens has been performing the service on the Siemens building automation system since its installation over 20 years ago.

Our sole source request for this vendor is justified as follows:

1. Only Siemens has the diagnostic software needed to test and troubleshoot problems in the system.
2. Siemens has access to developmental and engineering data that is key to the product performance, that cannot be released as it would compromise the vendor's competitive advantage.
3. Siemens field and engineering personnel go through extensive training and receive monthly updates on product performance issues. Timely and accurate deployment of these product enhancements can only be carried out effectively by the engineers developing the solutions working directly and freely with the field personnel. In the event of an emergency, this is a critical thing to consider.
4. There are building systems that are under warranty. Damage to the system by another vendor would void that warranty. The system recently underwent a major retrofit, with a valid warranty.
5. Only Siemens can provide the parts and specially trained labor required to execute this contract.

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.)

☐ 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:

Prices for this service have been pre-negotiated by GSA.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

No other sources were sought since this must be sole sourced to Siemens as they are the only vendor who can provide the specific requirement.

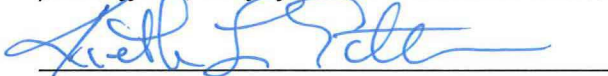
(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Based upon a cost analysis of the price structure by a Subject Matter Expert, Kieth Gitter, it was determined that the prices are fair and reasonable.

(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:

RFQ was not posted due to circumstances stated in para 5 and 6.

(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.)*



SIGNATURE

Kieth Gitter

NAME

VA Palo Alto Health Care System, CA

FACILITY

Manager

TITLE

DATE

7/31/2017

Engineering Service

SERVICE LINE/SECTION

(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.

CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

DATE

OFOC SOP Revision 05

Original Date: 03/22/11

Revision 05 Date: 05/02/2016

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Limited Sources Justification Format >\$150K

Mark J. Mikus

NAME AND TITLE

FACILITY

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

SIGNATURE

DATE

NAME

NCO/PCO X Director of Contracting