

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA260-17-AP-6629

1. **Contracting Activity:** Department of Veterans Affairs, VISN 20, Portland VA Health Care System, Transaction# 648-17-3-5226-0018
2. **Nature and/or Description of the Action Being Processed:** This is for a new, open market, firm, fixed price contract.

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for a commercial item that is to be used in support of contingency operation as the City of Portland does not filter the Municipal water supply, 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:** This procurement is for a 400 Gallon per minute, .1 micron absolute, Microza MF hollow-fiber water filtration system with automated integral bypass of 1 micron at the required flowrate. Microza Micro-Fiber (MF) hollow fiber filtration allows for commercially high flow, with microfiltration at .1 micron absolute levels. This hollow fiber filtration system stops Cryptosporidium, Giardia Lambia, all virus's and bacterium greater than .1 micron in size, consistent with FDA levels for medical grade water. The system skids are composed of "plug and play" valve and module rack assemblies, a self-cleaning system with a Clean In Place (CIP) skid, and a treatment neutralization system. Entire system is controlled by a PLC system that allows controlled transition for continual water flow. The installation will be supervised by the manufacturing company, and commissioning of the system will be carried out by the same.

This system will provide medical filter grade water to Building 100 and 101 on the Portland Campus. The Portland VA Medical Station Building 100 processes all sterilization instrumentation and equipment used in the sixteen surgical operation rooms, 4 minor procedure rooms, a 24 bedroom Intensive Care Unit, Chemotherapy, and 24 chair Dialysis units. Additionally, laboratory and pharmacology (inpatient and outpatient) services are stationed in these buildings. In the Portland VA Medical Station Building 101, we also house an extensive laboratory research, and Veterinary Medical Unit for veterans medical research. The patient medical services available typically suppresses autoimmune biological responses in patients intentionally as part of their treatment plan. The local municipality, City of Portland, Oregon, that supplies water from a large underground watershed (Bull run), does not treat or commercially filter domestic water as it is supplied to the facility. (As the EPA has found and is requiring the City to provide mitigation by 2025). VA directive 1061 (Legionella Mitigation) , ASHRAE 188-2015 (Water Management Plan), ASTM D1193-91 (Lab

Water requirements), and ISO 3696/BS3978 (Lab analytical research use) are all standards that place numerous requirements on domestic water. To meet all of these aforementioned requirements, and provide a larger margin from risk, the Portland VA is instituting these controls. The estimated value of the award is approximately \$490,000 for this item. The period of performance will be a year, since this system has a 6 month lead time from ordering date, and 4 month install time.

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

- (X) (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):**

Pall Industries is headquartered in Port Washington, NY, and is the only vendor that has proprietary rights to sell, license, or maintain this highly specialized Microza Microfiber Hollow Fiber filtration system. This is the only commercially available system that can pass 500 GPM flow at .1 micron absolute filtrate. No other commercially available system that can meet the flowrate requirement, can meet the filtration requirement; and no system that can meet the filtration requirement can meet the flowrate requirement.

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

Under normal circumstances this acquisition would fall under usual requirements for open-market competition and be open to bidding by any and all eligible contractors. However, the vendor has exclusive rights to these systems and is the only vendor that can fulfill the government's requirement for the support.

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

The price reasonableness has been established as fair and reasonable in comparison with the Independent Government Estimate (IGE) and is in the best interest of the Government.

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

Market research was conducted searching the VIP database under NAICS 221310. There were 136 VIP verified potential offerors who received the sources sought on 8/2/2017. When the sources sought closed on 8/8/2017 only two had responded as interested. In further investigation, they did not have the capability to perform the necessary tasks

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

as indicated. Frontline Support Solutions stated they could not provide the medical grade water; Shop Process Equipment deals with food and pharmaceutical industries for wastewater systems. Further discussion with Pall determined they are the only source who have the required technology to perform this task as described by the station.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** See sole source letter from Pall.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**
No other parties expressed interest in this acquisition
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:**
There are no barriers to remove in order to promote competition in response to this procurement. The systems are proprietary and barriers to competition are that created by copyright and other applicable laws.
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.


Eric Lyerla

9/19/2017
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.

KAREN R. RHODES 333239

Digitally signed by KAREN R. RHODES 333239
DN: dc=gov, dc=va, o=internal, ou=people,
0.9.2342.19200300.100.1.1=karen.rhodes@va.gov, cn=KAREN R. RHODES 333239
Date: 2017.09.19 11:56:14 -0700

Karen Rhodes
Contracting Officer
NCO 20

Date

- 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.

Ashley A.
Nguyen
460885

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Ashley Nguyen
Branch Chief

09/19/2017

Date