

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA69D-17-AP-8867 Replace Three Boilers, Building 112, Proj #695-15-116

1. **Contracting Activity:** Department of Veterans Affairs, VISN 12, Clement Zablocki VA Medical Center Great Lakes Acquisition Center, Network Contracting Office 12, Milwaukee, WI. PR # 695-18-2-6920-0001.

2. **Nature and/or Description of the Action Being Processed:**

This product, the WHESCO Group Incorporated boiler controls and automation system, is required to be sole-sourced for this project because it is a component of the overall boiler plant automation system that exists in the boiler plant. There are currently 5 boilers that are integrated with the WHESCO controls and computer monitoring system to maintain steam to the campus of 83 acres and more than 25 buildings. Depending on the loads for the day, any possible sequence of the 5 boilers may be in operation. This project replaces only 3 of the 5 boilers and controls. The control panels are to be reused. If a different controls and automation system were supplied for 3 of the boilers, seamless integration, graphics, operational information would not occur. Part of the plant would be on one system and another part on another. This would result in interface and operational issues with competing controls. This is a firm-fixed price contract as part of the overall construction contract.

Manufacturer: WHESCO Group, Inc.
Contact: 9046 N 51st Street
Brown Deer, WI 53223
Phone: 414-365-5500

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for WHESCO Group Incorporated boiler controls and automation 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 WHESCO Group Incorporated boiler controls and automation system integrates with the existing WHESCO system that will not be replaced as part of this project because only 3 of the 5 boilers and controls are part of the contract. The estimated value of the system is \$690,000, tentative construction award date is May/June 2018 with integration occurring during construction in 2019 due to the long lead time for the boilers.

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):

Only One Responsible Source (FAR 6.302-1) – This procurement is a **follow-on contract** for **highly specialized** equipment/services. Interoperability of the 5 boilers, automation to control the oxygen content to ensure energy efficiency, flow control, and capacity is required in its entirety and the existing 5 boilers have WHESCO controls. Each boiler cannot have separate boiler controls and automation or the plant will not work together. If a separate boiler control system is installed, there will be a substantial duplication of costs with computers, controls, parts and staffing to maintain and control the boiler plant.

The boiler plant is the source of steam energy production for the entire campus including radiant heat and steam for water heater bundles throughout the campus. The boiler plant is also critical for sterilization and processing operations. It is necessary that all 5 boilers operate seamlessly, with identical controls, to meet Medical Center Demands for steam production. Accordingly, WHESCO Group Incorporated, is the only firm capable of providing the supplies and services described in Section III above without the Veteran's Health Administration experiencing substantial duplication of cost that could not be expected to be recovered through competition.

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

The overall project will be solicited as an IFB (invitation for bid; sealed bidding). Therefore, offers will be solicited from as many potential sources as practicable under the circumstances outlined in the solicitation. For example, see set-aside requirements and NAICS code in the solicitation. All bidders will have the opportunity to request a quote for this equipment from the sole source manufacturer. Lowest bidder that is responsive and responsible will be awarded the primary construction contract and all individual sole-source equipment items within the contract.

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

Competition in bidding for the entire project by qualified SDVOSB firms will ensure lowest price from available contractors qualified to perform the installation of this equipment. All bidders will have the opportunity to request a quote for this equipment from the sole-source manufacturer. Lowest bidder that is responsive and responsible will be awarded the primary construction contract and all individual sole-source equipment items within the contract.

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

Other equipment manufacturers or sources not researched, as this request is for sole-source equipment that has full interface and compatibility with existing boiler controls systems to allow for seamless operation. The VA needs to be able to do the following: Full interface and compatibility with the existing boiler control system in Building 112.

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

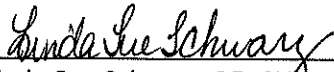
Attempting to allow "Brand Name or Equal" for this product could cause major costs in change orders due to incompatibility with existing boiler control system. The other products on the market are not compatible with the WHESCO control system. This is the only way to ensure complete compatibility and that the boiler plant will not have two boiler control systems. The installation of multiple control systems would require additional costs to maintain within the facility, additional computer and interface problems such as faults, alarms, and possible system failures. Medical center steam demands require that at any given time it may be necessary to operate (5) boilers seamlessly and simultaneously without different control systems.

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

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:

Due to the requirement for interoperability and integration, only one boiler control system can be in operation in the boiler plant. Since this is a partial replacement, the new system must be identical to the system that is in the plant.

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.


Linda Sue Schwarz, PE, CHPM
Chief Engineer

01/09/2018
Date

VHAPM Part 806.3 Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Sole Source Justification Format >\$150K

695 Clement J Zablocki VA Medical Center

13. Approvals in accordance with the VHAPM Part 806.3 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.

Anne Vossler
Contracting Officer

1/10/2018

Date

- b. **One Level Above the Contracting Officer (Required over\$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.

Ricky Bond
Northern Tier Construction Branch Chief, NCO 12

Date