

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval (J&A)
For
Other Than Full and Open Competition (>\$150K)

Acquisition Plan Action ID: VA249-18-AP-0944

1. **Contracting Activity:** Department of Veterans Affairs, VISN 09, Tennessee Valley Health Care System (TVHS) Nashville, TN, Network Contracting Office (NCO) 9. Purchase Requisition 626-18-1-4209-0028.

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

The procurement action under review is for Design-Build services required to design and prepare the site (approximately 1300 square feet (sf) for the installation of two GE Nuclear Medicine Imaging systems (Discovery NM530c and Discover 630 Nuclear Medicine imaging systems), a UPS room, and a renovated waiting and injection area located in A-25N. Design and construct the Nuclear Medicine area to meet the manufacturer requirements for the Nuclear Medicine Imaging system installation and to meet the VA Nuclear Medicine department's needs. The contractor and their Architect/Engineering (A/E) firm will inspect, test, make corrections, and certify that the Nuclear Medicine area is ready for the GE equipment installation. After the equipment is installed, the contractor and the contractor's A/E firm shall inspect, test, make corrections, and certify the final, working Nuclear Medicine area, complete with the working GE equipment. Work includes, but is not limited to, interior design, fire and safety, fire alarm, sprinkler, demolition, industrial hygiene, abatement, structural, architectural, mechanical, HVAC, Direct Digital Controls (DDC), plumbing, electrical power & systems. This action will be awarded as a new Firm Fixed Price (FFP) contract.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:**

The project involves the Design/Construction of a Nuclear Medicine area incorporating contemporary design and operational philosophies. Renovation of the Nuclear Medicine space shall meet the requirements of the new equipment being procured, as well as any applicable radiology requirements. The government has purchased by way of the Department of Veterans Affairs National Acquisition Center (NAC) through General Electric Medical Systems the GE Discovery Nuclear Imaging Systems: NM530C and NM630 (reference Purchase Order(s) # 626B40010 and 626B40008). Typical construction of High Technical High Cost (HTHC) is performed by GE's preferred vendor(s). Attached to this JOFOC is a listing of the preferred vendors for the Tennessee Area. Utilization of these vendors are necessary to ensure proper installation warranty by GE. This is because the GE Nuclear Imaging Systems-NM530C and NM630 are proprietary to GE, and the company works with vendors that have gone through rigorous training and have worked alongside GE's Project Management team to ensure collaborative installation development from cradle to grave, providing exceptional delivery and scheduling with minimal hospital or patient disruption.

The contractor shall prepare the site for the installation of the GE Discovery NM530C and NM630. General Electric will remove the existing radiology equipment and the contractor shall remove and demolish the utilities to the equipment and renovate the site for the new equipment. The contractor shall provide a comfortable environment that addresses both functionality and aesthetics. The design and renovation shall increase efficiency and optimized processes, where functions are arranged to facilitate flow, minimizing staff travel distances. The government will

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provide a conceptual drawing. All work shall be performed in accordance with the Statement of Work, Specifications and Drawings. The Independent Government Cost Estimate (IGCE) is [REDACTED]

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;

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

Because the nature of this work involves the design, site preparation and installation of two (2) GE Discovery Nuclear Medicine Systems, Revels Contracting Services, Inc. (RCS) is fully capable of performing the requirements of this procurement action as they have successfully performed similar work in scope and magnitude at other VA Medical Centers, as well as both private and public hospitals/medical centers within the United States. Revels Contracting Services Inc. has work directly with hospitals, imaging and cancer treatment practices, equipment vendors (such as Philips, Siemens, GE Healthcare, etc.) and healthcare management service providers to fulfill requirements for specialized medical equipment. They have completed over 146 imaging projects, finding solutions to some of the most challenging situations. They are experienced contractors in the design and construction of MRI, CT, PET, PET/CT, Catherization Labs, X-rays, Nuclear Medicine equipment and requirements. RCS is a Preferred Provider by Siemens, Philips, and GE Healthcare to design and prepare the site for the installation of Highly Specialized Medical equipment. In accordance with FAR 6.302-5, proposed contract actions under this authority is authorized by statute, as the anticipated contractor is a verified VOSB concern.

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

On December 8, 2017, a Request For Information (RFI) was published on the government wide point of entry for procurement actions-Federal Business Opportunities (FBO) website. The announcement was published for ten (10) days seeking information on qualified firms that had the specific capability of relocating, installing and providing site preparation for high dollar medical equipment by manufacturers such as Siemens, Philips, GE Healthcare, Toshiba Medical Systems, Varian Medical Systems and other similar manufacturers of highly specialized medical equipment. The screening process used in determining capability to perform will be by the contractor's demonstration of successful performance of work identified in the synopsis, three or more times within the past five years.

As a result of the announcement, the Contracting Officer received three (3) responses:

The first response was [REDACTED] a company headquartered in Italy. [REDACTED]'s history appears more focused on research and development and less on design and construction of nuclear imaging systems. Nonetheless, the company cited more than 1000 installations worldwide. [REDACTED] only listed one (1) reference in the United States dating back to 2010, yet this reference

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was not for the work stated in the RFI. In addition, the CO was unable to validate an active registration for this company in the System for Award Management (SAM). [REDACTED] has been disqualified as a potential source as this company does not fit the small business concerns targeted by the CO.

The **second** response received by the CO was from [REDACTED] is a verified Service Disabled Veteran Owned Small Business (SDVOSB) concern, and has performed work within the VISN 9 network of medical centers. However, the capability statement provided by [REDACTED] did not demonstrate the company had the capability to successfully perform on a project of this nature. [REDACTED] listed four (4) design/build projects, only one of which involved hospital construction, yet the project did not involve the installation of any high technical/high cost medical equipment. The CO determined that [REDACTED] is not capable of performing a project of this nature as the company did not demonstrate by way of their past performance the successful completion of projects similar of that listed in the RFI announcement.

The **third** response received by the CO was from Revels Contracting Services, Inc. (RCS). RCS is a Veteran Owned Small Business concern, who also happens to be a GE Preferred Vendor for High Technical High Cost equipment installation. The company is a verified VOSB with an active registration good through October 17, 2020. The company also has an active registration in the System for Award Management (SAM) which is good through January 22, 2019. Revels Contracting Services, Inc. has successfully performed 146 turnkey projects involving High Technical High Cost equipment with equipment manufacturers such as Siemens, General Electric, Philips Healthcare, Varian, Hologic, Carestream, Medquest Associates, CMS Imaging, Toshiba, Spectrum Dynamics, Nelco Worldwide, AGFA and Hitachi. The company has performed a myriad of specialized equipment installation such as MRI, Cath Lab, Nuclear Medicine Labs, CT's, PET/CT systems, Mobile MRI's, Angio Suites demonstrating the ability to successfully perform. The company provided references from multiple VA medical centers, as well as public and private hospitals/medical facilities. Revels Contracting Services Inc. is a preferred equipment installer for General Electric (GE) and Philips Medical Systems. The CO has determined Revels Contracting Services, Inc. to be a qualified contractor, capable of meeting the requirements for Project 627-17-504.

The efforts taken by the Contracting Officer to ensure that offers were solicited from as many potential sources as practical is evident in that the initial RFI that was cascaded for all small business types subject to Federal Acquisition Regulation (FAR) Part 19. The CO reached out to an SDVOSB- [REDACTED] following a conversation with the CO's supervisor [REDACTED] who had mentioned that the company may have the capability to perform. The CO further reached out to the equipment manufacturer-General Electric, requesting an updated listing of preferred vendors. Revels Contracting Services, Inc. was identified as one of the four preferred contractors listed by General Electric. While a search of the CVE website indicated 43 SDVOSB under the [REDACTED] [REDACTED] none of those contractors responded to the RFI published on the FBO website. The CO has determined that based on the requirements for Project 626-17-504 that there is not a reasonable expectation that at least 2 or more SDVOSB will respond. The CO recommends a sole source award to Revels Contracting Services, Inc.

Revels Contracting Services Inc. is a verified Veteran Owned Small Business (VOSB) concern as defined under 38 U.S.C section 8127. Proposed contract actions under this authority are "authorized by statute" as implemented by Federal Acquisition Regulation (FAR) 6.302-5.

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7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Contracting Officer anticipates that the overall cost to the Government will be Fair and Reasonable. The steps to ensure fair and reasonable pricing will be a comparison of past pricing of similar work in scope and magnitude with historical pricing of similar work at medical centers throughout the VISN 9 network.

A detailed price breakdown will be required as part of the Offeror's price proposal. The proposed price will be analyzed for reasonableness. It will be analyzed for the different divisions of work to be performed, and the complexity of that work if any, and will be reviewed to ensure that it reflects a clear understanding of the requirement, and is consistent with the Offeror's technical proposal.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market Research for this procurement consisted of a Request For Information on the government wide point of entry-Federal Business Opportunities website. Further research also includes a search of the Vetbiz database of verified SDVOSB in the state of Tennessee. A listing from General Electric (GE) of preferred vendors. As described in section VI above, market research, in accordance with Far Part 10 was conducted by the synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties.

While the query of the SBA's Dynamic Small Business database supports multiple firms listing a [REDACTED] with matches of 82 specific to the State of Tennessee, many of companies listed in the search were not design/build or construction companies. A total of Forty-Three (43) companies queried in the Vetbiz registry listed a [REDACTED] identified their business as an SDVOSB concern.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** Other facts that support the use of other than full and open competition for this procurement action, is the nature of the specialized work involved is not suitable for full and open as many General Construction Contractors have limited if any experience with the construction of Highly Specialized Medical equipment design and construction. In fact, GE Healthcare provides a listing of four (4) Preferred Vendors, one of which is Revels Contracting Services, Inc (RCS).
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** A listing of sources that expressed interest in writing in this acquisition were [REDACTED] Revels Contracting Services, Inc. (RCI) [REDACTED]. Section 6 above provides the explanation as to how a company was determined to be capable to perform the work of this requirement.
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:** The Agency will begin to take the following actions in order to foster competition for this type of specialized work. Obtain a listing from manufacturers such as Siemens, Philips, GE Healthcare and other makers of high dollar medical equipment to obtain a listing of preferred vendors used for installation of equipment of this and similar type. The Contracting Officer will also encourage local SDVOSB companies to pursue partnerships with these manufacturers, pursue training opportunities so that they can obtain being named on the preferred vendor list.

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No further actions are planned by the Contracting Officer, as many of the action plans requires an active role on part of the SDVOSB or VOSB vendor.

- 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.

Craig A.

Hrobak 228451

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Hrobak 228451
Date: 2018.02.13 09:55:34
-06'00'

Craig Hrobak
Chief-Engineering
Tennessee Valley Healthcare System (TVHS)

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.

Roxie A. Keese
299082

Digitally signed by Roxie A. Keese
299082
Date: 2018.02.13 10:57:13 -05'00'

Roxie Ann Keese
Contracting Officer, NCO 9
Warrant #NCO915L2-2465

Date

- b. **Branch Chief (Required over\$150K but not exceeding \$300K):** I certify the justification meets requirements for other than full and open competition.

Douglas Crowley 446500

Digitally signed by Douglas Crowley
446500

Date: 2018.02.26 12:44:33 -06'00'

Douglas Crowley
Branch Chief-Construction (West)
Network Contracting Office (NCO) 9

Date

- c. **Director of Contracting /Designee (Required over\$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.

Kenneth N. Hooks 498714

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Hooks 498714
Date: 2018.02.26 15:53:48 -06'00'

Kenneth N. Hooks, Jr.
Division Chief-Construction
Network Contracting Office (NCO) 9

Date