

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval (J&A)

For

Other Than Full and Open Competition (>\$150K)

[REDACTED]

- 1. Contracting Activity:** Department of Veterans Affairs,
Network Contracting Office 4
323 North Shore Drive, Suite 400
Pittsburgh, PA 15212
[REDACTED]

- 2. Nature and/or Description of the Action Being Processed:** The proposed action will be a new, firm-fixed-price contract to repair/rebuild a 1250 Ton Trane Chiller (Chiller #2) at the VA Pittsburgh Healthcare System, University Dr. Pittsburgh, PA 15240. This procurement is in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items, 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 VA Pittsburgh Healthcare System has a requirement to repair/rebuild a 1250 Ton Trane Chiller (Chiller #2), which includes the following; 1250 Ton Trane Chiller #2 Overhaul Service, Replacement of the Unit Master Control and Panel Display, Replacement of the Chiller #2 Motor Core, Chiller #2 Main Motor Starter Servicing, Ceramic Alloy Surface Repair and Epoxy Coating, and Cleanup and Disposal. [REDACTED]. The anticipated period of performance is 90 days after contract award.

- 4. Statutory Authority Permitting Other than Full and Open Competition:** FAR Subpart 13.5 used in accordance with 41 U.S.C. 1901.

- 5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** The proposed source is Trane U.S. Inc., (Trane), 3600 Pammel Creek Rd. La Crosse, WI 54601. The Unit Master Control and Panel Display requires Trane proprietary software that only Trane authorized offices are supplied with, and must be installed, programmed, and updated by Trane OEM Systems Technicians. All sensors to be replaced during the overhaul of Trane Chiller #2 can only communicate with the Unit Master Control and Panel Display. Additionally, the present chiller operating configuration and logged data stored on the Unit Master Control and Panel Display must be recorded, which can only be performed by Trane OEM Systems Technicians.

The VA Pittsburgh Health Care System, University Drive campus, #2 Chiller is one of three chillers that provide chilled water for HVAC cooling systems throughout the facility, and it has reached operating hours that require the manufacturers recommended maintenance (overhaul). This equipment is categorized as critical, as a catastrophic failure would severely affect all facility operations and patient care. The required servicing and equipment upgrades will safeguard against

such a failure from occurring, ensuring the VA Pittsburgh Healthcare System can continue its mission to support the ongoing needs of the veteran beneficiary population.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** On December 12, 2017, the Contract Specialist (CS) released a sources sought notice via e-mail to 5 veteran-owned concerns found in the Veterans Information Pages database using NAICS 238210, Keywords "1250 Trane Chiller", and geographic filters (Not Strict) for Delaware, Maryland, New Jersey, New York, West Virginia, Connecticut, Rhode Island, and Pennsylvania. Of the 5 vendors, two responded with interest in supplying a quote to the official solicitation; [REDACTED]. The CS contacted both by phone, and both stated that they would have to subcontract a portion of the effort to Trane U.S. Inc.

On 12 December, 2017, the CS also published a Sources Sought notice to the Federal Business Opportunities (FBO.gov) website requesting that all interested small business concerns respond. Between 12 December, 2017 and 18 December, 2017 (Sources Sought close date), the CS received a response from one small business; [REDACTED].

On 8 January, 2018, the Account Manager from Trane U.S. Inc. (Trane) ([REDACTED]) responded to the CS's question, "If another company was to get the award for the completion of the requirements listed in the attached SOW, what percentage of that work would have to be subcontracted to Trane?", stating that 85% of the work would have to be performed by Trane; see "P11 - Trane Email - Trane Must Do 85 Percent Of Work", located in the Acquisition Plan Briefcase ([REDACTED]).

On 10 January, 2018, the CS published a Notice of Intent to Sole Source to FBO.gov, requesting that all interested parties respond to the notice, identifying their interest and capability so the contracting activity can establish the source's ability to meet this requirement; see "P02 - Notice Of Intent To Sole Source", located in the Acquisition Plan Briefcase ([REDACTED]). The CS scheduled the close date for responses to be on 17 January, 2018. Prior the close date of the notice, [REDACTED] responded with interest, stating they "can meet all requirements contained in the statement of work". [REDACTED] also stated, "Please note that we installed these specific Trane chillers several years ago at the VA University Drive".



On 10 January, 2018, the CS contacted the VA Pittsburgh Healthcare System's AC Equipment Mechanic ([REDACTED]) to confirm that [REDACTED] previously installed the same Trane chiller years ago, as they stated in their response to the Sources Sought notice and the Notice of Intent to Sole Source. [REDACTED] explained that [REDACTED] was awarded the contract to install the chiller, however, they subcontracted the actual installation of the Trane chiller to Trane.

On 12 January, 2018, [REDACTED] responded to the CS's question, "Would any existing warranties be honored by Trane if an unauthorized contractor were to perform work on the Trane chiller #2 at the Pittsburgh VA Medical Center?", stating, "No, Trane would not honor any warranties if any non-Trane employees were to perform work on the Trane chiller. If any non-Trane employees do perform work; any warranties would be voided"; see "P11 - Non-Trane Technicians Will Void Trane Warranty", located in the Acquisition Plan Briefcase ([REDACTED]).

7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** The contracting officer will determine price reasonableness IAW FAR Part 13.106-3.

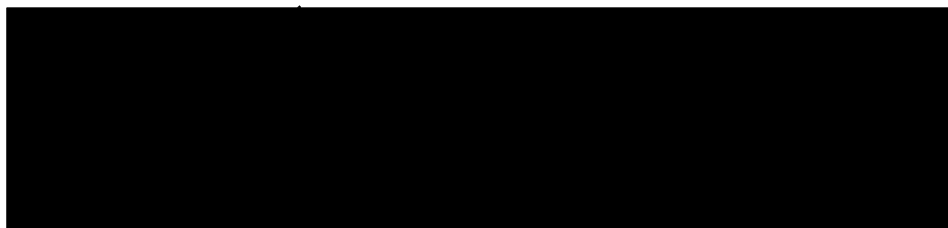
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** See paragraph #6 above.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** Trane U.S. Inc. stated that any existing warranties would be voided if non-Trane employees were to perform service on the chiller. Although three contractors expressed interest in satisfying the medical center's requirement, the market research material cited is supportive of the fact that the majority of the effort would be performed by Trane U.S. Inc. and an award to anyone else would create excessive pass-through charges to the Government.

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


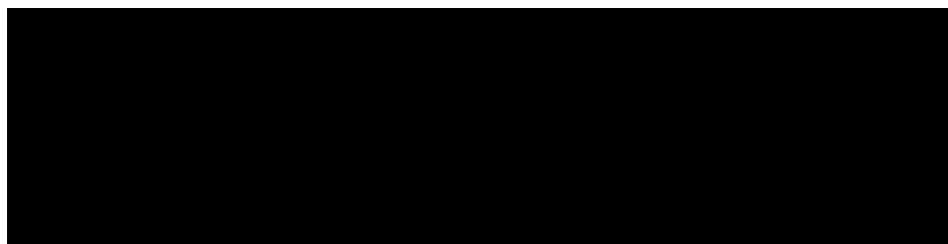
11. **A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:** See paragraphs #8-10 above.

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.



13. **Approvals in accordance with the VHAPM Part 806.3 OFOC SOP:**

a. **Contract Specialist:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



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.

