

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA249-18-AP-2067

1. **Contracting Activity:** Department of Veterans Affairs, VISN 09, Robley Rex VA Medical Center (Louisville, Kentucky), Network Contracting Office (NCO) 9. Purchase Requisition [REDACTED]
2. **Nature and/or Description of the Action Being Processed:** Design, prepare the existing site for the construction and installation of a Philips 1.5T Omega MRI with Ambient Experience in Room B213A of the Robley Rex VA Medical Center. Work shall be in accordance with the latest Department of Veterans Affairs, Construction & Facilities Management (CFM) guidelines as stated in the Technical Information Library (TIL) available for download at <https://www.cfm.va.gov/til/spec.asp>. The design shall all conform to the manufacturer's equipment layout plan. This is a turn-key project typically procured through the Department of Veterans Affairs National Acquisition Center (NAC) in Hines, Illinois. However, recent changes that occurred in FY17 with the NAC's turnkey program placed restriction limits on the amount of construction associated with equipment installation. Construction costs associated with turnkey projects now require that those costs cannot exceed thirty percent (30%) of the equipment purchase. As a result of this new policy, many of the projects that were once procured by way of turnkey at the NAC, are now being procured through the local contracting office.

Historical and current information show High Technical High Cost (HTHC) equipment manufacturers use a "Preferred Vendors" list to provide design/build services. These "Preferred Vendors" have been skilled through training regimens from the manufacturer that span more than 100 classes, as well as hand-on guidance, where the manufacturer performs side by side project management, utilizing the preferred vendor for the equipment installation.

Design/Build projects involving High Technical High Cost (HTHC) medical equipment are specialized construction services, as the construction contractor is required to have the knowledge about the utility requirements related to installation, the structural steel required to support the equipment, the shielding requirements (where the contractor has consulted with a Psychist), power supply and certain other items that are specific only to HTHC medical equipment. In addition, the Preferred Vendor intentionally coordinates each phase of the Design/Build work with a specialist specific to that equipment manufacturer.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** Work shall be in accordance with latest VA Construction Guidelines for this space and equipment manufacturer specifications. The contractor is responsible for architectural, mechanical, and electrical design and construction. Design includes the preparation of complete drawings in AutoCAD 2012 or other format upon agreement with the VA. Specifications are to be in 2004 Master Construction Specification Format, and construction cost estimates per Veterans Affairs (VA) guidelines.

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The design shall include all disciplines necessary for the completion of the project in accordance with VA guidelines and specifications. The new design will conform to current VA standards and provide adequate facilities for VA staff. The A/E team will include planning and design of infection control measures. The Independent Government Cost Estimate (IGCE) is \$~~1,200,000~~

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 Highly Specialized medical equipment, Revels Contracting Services, Inc. (RCS) is fully capable and uniquely qualified to perform 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 in 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 sites for the installation of the GE Uroview® FD Urology system. In accordance with FAR 6.302-5, proposed contract actions under this authority is authorized by statute, as the anticipated contractor is a verified SDVOSB concern, and a Philips Healthcare Preferred Vendor.

Revels Contracting Services, Inc. (RCS) is a verified Service Disabled Veteran Owned Small Business concern, who is also on the list of GE Preferred Vendors for High Technical High Cost equipment installation. The company is a verified SDVOSB 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. 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 603-CSI-803.

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6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** On January 17, 2018, a Request For Information (RFI) was published on the government wide point of entry for procurement actions-Federal Business Opportunities (FBO) website. The announcement is being published for thirty (30) days seeking information on qualified firms possessing 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. To date no responses have been received.

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 at the medical center. In addition, the proposed price will be analyzed against the Independent Government Cost Estimate (IGCE).

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.

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

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. The proposed price will also be compared with the Independent Government Cost Estimate.

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, a search of the Vetbiz database of verified SDVOSB and VOSB contractors in the Commonwealth of Kentucky, and/or the Kentucky-Indiana-Tennessee region. 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 statements of capability from interested parties.

While the query of the SBA's Dynamic Small Business database supports multiple firms listing a NAICS of 238290, these firms were invited to submit their statements of capability, yet, only one firm responded and indicated that their past experience did not match with the requirements of the announcement (See email from Semper Tek Inc.). The Center for Verification & Eligibility (CVE) identified 336 specific to the State of Kentucky through its database listing, yet none of these vendors have responded to the announcement.

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

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equipment design and construction. In fact, Philips Healthcare provides a listing of six (6) Preferred Vendors, only one of which is an SDVOSB concern.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: To date no sources have responded to the RFI expressing interest or the capability to perform.

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. 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.

MICHAEL A. DAY 294473 Digitally signed by
MICHAEL A. DAY 294473
Date: 2018.02.13
10:57:00 -05'00'

Michael Day
Chief, Bio-medical Engineer
Robley Rex VA Medical Center

_____ 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 11:16:04
-05'00'

Roxie Ann Keese
Contracting Officer
NCO 9/Robley Rex VA Medical Center

_____ Date

b. **Branch Chief /Designee (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: 2018.02.15 09:20:52 -06'00'

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

_____ Date

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- c. Director of Contracting /Designee (Required over\$300K but not exceeding \$700K): I certify the justification meets requirements for other than full and open competition.

Kenneth N. Hooks 498714

Digitally signed by Kenneth N. Hooks
498714
Date: 2018.02.15 09:29:48 -06'00'

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

Date