

## JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Procurement, Acquisition, and Logistics  
Technology Acquisition Center (TAC)  
23 Christopher Way  
Eatontown, New Jersey 07724
2. Description of Action: The proposed action is for a modification to firm-fixed-price contract number VA118-16-C-0807 with [REDACTED] to extend the period of performance (PoP) to continue to provide an office services solution via hoteling seats and services for the TAC, the Office of Information and Technology (OI&T), and the Office of General Counsel (OGC). Note: from this point forward, the acronym "TAC" will apply to the TAC, OI&T, and OGC unless otherwise noted.
3. Description of Supplies or Services: The TAC has a continued need for office work space in the Eatontown, New Jersey (NJ) area in order to continue to effectively and efficiently support its mission for Veterans without any disruption of work while the General Services Administration (GSA) completes its competitive lease award and while tenant improvements (TI) are made prior to TAC occupancy.

The TAC was established in Eatontown, NJ to provide acquisition support to OI&T and other VA agencies. Upon its establishment, the TAC began occupying temporary office space in Eatontown, NJ. This was accomplished through various seat management agreements and hoteling contracts which culminated in the aforementioned hoteling contract: awarded to [REDACTED] on December 24, 2015. These efforts were intended to be temporary, stop-gap solutions to be used until the TAC obtained permanent leased space through GSA.

The PoP of the current contract (January 1, 2016 – December 31, 2018) was established based upon discussions with GSA regarding their forecasted award schedule. In order to align with GSA's schedule, it was determined that the current contract would contain a 12-month base period and four 6-month option periods. It was determined this PoP would provide ample time for GSA to make a competitive lease award and for the TI to be completed and for the TAC to move in to the finished space. Six month option periods were included, vice 12 months, in the event the leased space was ready for occupancy sooner than anticipated.

Due to unanticipated delays and additional time necessary for GSA to complete their evaluations and other required analysis, the forecasted lease award date and subsequent TAC occupancy date have been pushed out beyond the current hoteling contract's period of performance. GSA's latest schedule, received on February 21, 2018, has a forecasted lease award date of May 11, 2018 and a forecasted occupancy date of May 17, 2019. Even though the lease award date falls within the current contract's period of performance, the forecasted occupancy date is now 5 months past the end of the current contract's period of performance.

Based upon the above, there is a continued need for work space in order for the TAC to continue to perform its mission. Although GSA's current forecasted schedule shows TAC occupancy within the first 6 months of 2019, thus suggesting that only one 6 month extension is required; the contract is proposed to be extended by two 6-month option periods to accommodate potential further unanticipated delays. If the second 6-month option is not needed, the option will simply not be exercised.

Additionally, the extensions will continue to provide the same seating quantities currently contained in the contract. This equates to a current total of 271 hoteling seats and an additional 40 option seats to accommodate projected future growth. Furthermore, the extensions will continue to provide the required conference rooms, training rooms, storage rooms, source selection rooms, a computer technical support room and computer storage room, printer/copy/scanner rooms, and other rooms/areas necessary for the effective and efficient function of the organizations.

The period of performance for the proposed action is to extend the current contract by two 6-month options for the periods January 1, 2019 – June 30, 2019 and July 1, 2019 – December 31, 2019 respectively. The total estimated value of the proposed action is [REDACTED]

4. Statutory Authority: The statutory authority permitting other than full and open competition is 41 U.S.C.3304(a)(1) as implemented by the Federal Acquisition Regulation (FAR) 6.302-1 entitled, "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements."

5. Rationale Supporting Use of Authority Cited Above: The proposed source for the extension is [REDACTED]. [REDACTED] currently provides hoteling seats and services to the TAC at its 3 Christopher Way and 23 Christopher Way locations in Eatontown, NJ under the aforementioned contract. There are no other firms in the area that have the required number of hoteling seats or hoteling space available to accommodate the TAC's requirements for the time period of the extensions. [REDACTED] is the only source that has the capability, capacity, and space available to accommodate the seats and services required by the TAC for the additional two 6-month option periods.

In addition, the continued use of [REDACTED] existing hoteling seats and space will not contain the risks associated with a new Contractor seeking out the appropriate amount of space and negotiating its own lease for such a shortened period of time as the proposed extension. The potential contractor will also have to build out all or a portion of their space to meet TAC functional requirements which will add schedule risk to their space even being ready at the end of the current contract period. It is estimated that it would take another contractor 6 – 12 months to ramp up to meet TAC requirements and have their temporary space ready for occupancy. The work required would include, but not be limited to, acquiring the actual leased space, initial design, construction and build-out, installation of data and telephone cabling, phone system design and install, furniture design, acquisition, and install; and security system install, e.g., card reader,

CCTV, etc. Any schedule slip would leave the TAC without adequate work space to accomplish its mission and, as a result, the TAC's support to Veterans would be adversely affected. Furthermore, the VA would have to acquire additional network equipment in order to install a secure VA network in the temporary space so as to provide a turnkey and uninterrupted solution. This additional VA network equipment would be an unnecessary duplication of equipment already installed in the current space and also will be a duplicative cost that will not be recovered through competition.

In addition, [REDACTED] can satisfy the TAC's continued temporary requirements by utilizing its current space contained in its current contract without any disruption to the TAC mission in support of the Veteran or to [REDACTED] operations in support of the TAC. The contract extension will also eliminate any work force disruptions associated with having to move the entire workforce and all their computer equipment and work related files and other items to another temporary location for potentially as few as a 6 month period and then again having to move them to the final GSA space within the same 6 month period.

The TAC has been working with GSA to obtain a more permanent, centralized leased office space in the Monmouth County, New Jersey area. However, because of the delays associated with that effort and using GSA's forecasted schedule as a guide, the GSA leased space will not be ready for occupancy when the TAC's current hoteling contract expires. Continuing the hoteling space and services currently provided by [REDACTED] via a contract extension will ensure that the TAC has the required work space needed to meet its mission and provide support to its customers and Veterans without any disruptions whatsoever.

[REDACTED] is the only known company that can satisfy the TAC's requirements. [REDACTED] currently has the required amount of space and services available and can provide it within the required timeframe and in contiguous locations. If these hoteling seats and services are not acquired from [REDACTED] in the time required the TAC will not have office space to perform its mission, and as a result, TAC support to its customers and more importantly, the Veteran, will greatly suffer.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's short term requirements of the extension. There is no competition anticipated for this acquisition. This effort will be synopsisized on the Federal Business Opportunities (FedBizOpps) website ([www.fbo.gov](http://www.fbo.gov)) in accordance with FAR 5.201 and any proposals, quotations, or capability statements received from other sources will be considered.

7. Actions to Increase Competition: In the event there are delays beyond the extension requested under this proposed action, the Government will conduct additional market research to ascertain if there are changes in the market place that would enable future actions to be competed. In addition, if the permanent GSA leased space is

available prior to exercising the option period(s) of this proposed extension, TAC will transition to the permanent leased space and not utilize the proposed option(s).

8. Market Research: Market research was conducted by releasing a Request for Information (RFI)/Sources Sought announcement on FedBizOpps on February 23, 2018 with responses due by March 2, 2018. The announcement contained a draft informational sheet and a draft quantity requirement spreadsheet specifying the number of seats and services required. Potential responders were asked to provide a Capability Statement describing their ability to meet the requirements. One response was received from [REDACTED].

[REDACTED] submitted a brief capability statement in response to the RFI. According to the information provided by [REDACTED], they do not currently have hoteling space, or any leased space for that matter, in the central Monmouth County, NJ area that can meet our requirements. As a result, [REDACTED] will have to acquire the necessary amount of space by obtaining a lease of its own. In addition, this newly acquired space will have to be designed to meet the TAC's functional requirements. The space will then have to be built out to meet those requirements. Furthermore, a phone system; security system, e.g., access card readers, etc; guest wireless network; and audio visual equipment must also be installed to meet the TAC requirements. Cubicles and office furniture for approximately 271 seats must be obtained and installed and [REDACTED] will be required to obtain all necessary permits and pass all inspections. Based upon prior experience, there is substantial risk that all these items can be obtained and completed by the required timeframe. Any schedule slips will leave the TAC without necessary work space and the mission and Veterans will suffer.

Based on the information provided by [REDACTED] and the analysis above, it was determined that [REDACTED] could not meet the TAC's requirements. On March 9, 2018, [REDACTED] was informed, via e-mail, of this determination. In addition, [REDACTED] was provided further information about the TAC's requirement; specifically, that the TAC was working with GSA to obtain a lease and that the forecasted occupancy date of that lease is the May 2019 timeframe. [REDACTED] was also informed that, based upon this forecasted occupancy date, the period of performance of the proposed contract extension will only be a 5 – 6 month period with possibly one additional 6-month option. The TAC also explained that it believes an extension to the existing contract is the most efficient and economical way to satisfy the TAC's temporary requirement. On March 9, 2018, [REDACTED] responded agreeing with the TAC's assessment.

Additional market research was conducted in February 2018 by performing an internet search using such terms as "Business Center Office Space in Monmouth County, New Jersey" and "Furnished Office Space in Monmouth County, NJ". Based upon those searches and knowledge from previous market research activities, the companies listed below were identified as providing office space in a hoteling type manner in the Monmouth County, NJ area.

- [REDACTED], Red Bank, NJ and [REDACTED], Neptune, NJ 07753.

- [REDACTED] Red Bank, NJ.
- [REDACTED], Wall, NJ.
- [REDACTED], Shrewsbury, NJ.
- [REDACTED], Sea Girt, NJ:
- [REDACTED] Eatontown, NJ.
- [REDACTED], Middletown, NJ.

The general findings of this additional market research is that the above firms generally do provide the types of hoteling seats and services required; however, the total number of available seats each has in their respective space is far below what is required by the TAC. For example, the potential availability of seats at [REDACTED] two locations listed above is far below that required by TAC. Per [REDACTED] website, their Neptune, NJ location has a total of approximately 60 offices, and, per [REDACTED] Red Bank, NJ seating plan, there is a total of approximately 67 offices at that location. Even if all seats at both locations were available, the total amount of approximately 127 seats does not come close to meeting TAC requirements. This also does not include the requirement for conference rooms, a training room, source selection rooms, etc, which the firms did not possess in the numbers needed. The remaining sources researched have similar or lower available seat capacity than [REDACTED] two spaces and cannot meet VA's needs. Also, these businesses normally have renewal policies that require advanced notice, usually around 90-120 days. In addition, their clientele is normally very small companies who only need a single office or a few offices and, as a result, there is likely a high number of firms occupying offices within their space. Because of this, predictability of office vacancies can fluctuate at any given time and it was discovered that forecasting availability to meet even a portion of the TAC's total requirement is difficult.

The TAC also performed a search of the Vendor Information Pages website for the Monmouth County, New Jersey area using the applicable North American Industry Classification System (NAICS) code of 531120, Lessors of nonresidential buildings (except mini-warehouses), and a description of "hoteling services," and "hoteling seats." No matches were found as a result of the search.

The TAC also contacted [REDACTED] in February 2018 as to whether it could continue to provide the seats and services it provides under its current contract in order to meet the TAC's requirements. [REDACTED] confirmed that there are no barriers to continuing to provide the hoteling seats and services at its 3 Christopher Way and 23 Christopher Way locations in Eatontown, NJ as required by the proposed extension.

Based upon the market research, [REDACTED] is the only company that can satisfy the TAC's requirements of the contract extension. [REDACTED] currently has the required amount of seats/services/space available and can continue to provide it until the TAC moves into its GSA acquired space.

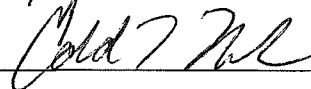
9. Other Facts: The TAC only requires space until its permanent GSA space is ready for occupancy which is forecast to be 5 – 6 months past the end of the current contract period. If the current contract is not extended, the TAC will have to move its entire operation at the end of December 2018 and then will have to move again 5 – 6 months later when its permanent GSA space is completed. This move would entail relocating the TAC's entire workforce and all their computer equipment and work files. In addition, the TAC would have to also move misc TAC owned IT equipment and furniture to include printers, scanners, storage cabinets and tables. The disruptions to the TAC's mission to support the Veteran as a result of these two closely timed moves will be unacceptable.

10. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Edward Nowak

Date: 3/14/2018

Program Manager / Engineer

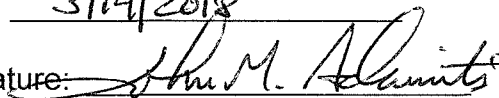
Signature: 

11. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on price analysis, past historical pricing, and negotiations with [REDACTED].

John M. Adamitis

Date: 3/14/2018

Procuring Contracting Officer

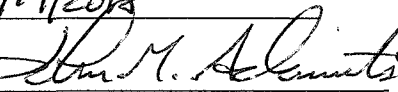
Signature: 

12. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

John M. Adamitis

Date: 3/14/2018

Procuring Contracting Officer

Signature: 

Approval

Based on the foregoing justification, I hereby approve the two 6-month option period extension of contract VA118-16-C-0807 for the continued acquisition of an office services solution via hoteling seats and services for the TAC, OI&T, and OGC, on an other than full and open competition basis pursuant to the statutory authority 41 U.S.C. 3304(a)(1), subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: 5-14-18

Signature:



Ronald J. Bakay  
Advocate for Competition  
Technology Acquisition Center  
Office of Procurement, Acquisition, and  
Logistics



: Justification For Other Than Full and Open Competition  
Coordination Matrix

*Anne Marie Vasconcelos*

*3/14/2018*

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Anne Marie Vasconcelos  
Director, Procurement Services D  
Technology Acquisition Center (003B2D)  
Office of Procurement, Acquisition, and Logistics  
Department of Veterans Affairs

Date

Concur  Non-Concur