

DEPARTMENT OF VETERANS AFFAIRS

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

**CONSTRUCTION SITE PREPARATION FOR
Cath Lab and R/F Installation
BUILDING ONE, 1st floor East Wing
PROJECT #689-CSI-161**

Acquisition Plan Action ID: Program UID: **VA241-17AP-4091**

- 1. Contracting Activity:** Department of Veterans Affairs, VISN 1, West Haven Medical Center
- 2. Nature and/or Description of the Action Being Processed:**

This will be a new fixed-price contract for the balance of construction required for the installation of a new Catherization Lab and Radiographic/ Fluoroscopic equipment in Building 1, 1st floor east corridor at the West Haven campus of the VA Connecticut Healthcare System with new Philips Allura FD20 Catherization Lab and Easy Diagnost Eleva DRF.

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

The existing Catherization Lab in room 1108 and the R/F (X-Ray) in room 1110 and 1114 have reached their useful service life and must be replaced. The installation of a new Philips Allura FD20 Catherization Lab and Easy Diagnost Eleva DRF is being performed under a separate contract with Philips Healthcare issued by the National Acquisition Center (NAC) High-tech, High-cost (HTHC) program. However, the Philips installation contract is limited in scope and does not provide a complete turnkey solution.

This sole source justification is submitted to request the use of the same construction contractor for the balance of the installation construction required for the completion of the new Cath Lab and R/F room build-outs.

Work is extensive, and includes most major construction divisions: General Requirements, Site Work, Concrete, Masonry, Metals, Wood and Plastics, Thermal and Moisture Protection, Doors, Windows and Glass, Finishes, Specialties, Equipment, Furnishings, Special Construction, Fire Suppression, Plumbing, Heating, Ventilating and Air Conditioning, and Electrical.

The estimated value of the award is \$957,085.00. This IGE assumes a sole source is permitted.

Completion time is estimated at 12 weeks after Notice to Proceed (NTP). The NTP is projected to be issued in fourth quarter, 2017. This completion time assumes a sole source is permitted.

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;
- (X) (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):

- (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1

Philips Healthcare Design Construction Services originally submitted a proposal for a turnkey Cath Lab and R/F installation for a new Philips Allura FD20 Catherization Lab and Easy Diagnost Eleva DRF in Building 1, 1st floor east wing in West Haven, at the VACHS. Philips intended to use Construction Technology Group, Inc. for all site construction work. Construction Technology Group, Inc. has a well-known history of successfully completing medical imaging projects for the VA.

During review by the National Acquisition Center (NAC), the NAC required significant portions of the work included in the Philips turnkey proposal be separated from the NAC contract as it was deemed out-of-scope for the installation of the Cath Lab and R/F rooms. Based on NAC direction, the project must be completed under two separate contracts.

However, the work excluded by the NAC is required for the complete installation of the new Cath Lab and R/F room. Without completion of the site preparation, the equipment will not be operational, certified by the equipment vendor, and subsequently cannot be used for patient care. This will render new HTHC equipment installations un-used for patient care and so will not support improving the Veteran's healthcare and therefore is not an effective use of Government funding.

Subsequently to the NAC direction, Philips has revised and re-issued their proposals for the Cath Lab and R/F rooms to the VA. Philips proposals now include installation of the equipment and limited, but incomplete site modifications for the installation of the new Cath Lab and R/F (the work deemed in-scope by the NAC). The balance of work is being included in this sole source solicitation request.

The two contracts must occur concurrently within the same 1st floor, building 1, east wing space where the existing equipment currently resides and will be replaced, so coordination across the separate contracts is maintained as this is critical to project success.

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 3: Request for Sole Source Justification Format >\$150K

The following work divisions occur under both Scopes of work, and require both contractors work in the same space, at the same time, on the same systems:

- Division 1 – General Requirements
- Division 2 - Site Work
- Division 3 – Concrete
- Division 4 - Masonry
- Division 5 - Metals
- Division 6 - Wood and Plastics
- Division 7 - Thermal and Moisture Protection
- Division 8 - Doors, Windows and Glass
- Division 9 – Finishes
- Division 13 – Special Construction
- Division 21 – Fire Suppression
- Division 22 - Plumbing
- Division 23 - Heating, Ventilating and Air Conditioning
- Division 26 – Electrical

In particular, but not limited to, the following items are of particular concern as to coordination if this project is not sole sourced to Construction Technologies Group, Inc.

1. Lead shielding installed and even finished walls installed throughout areas under NAC contractor, but numerous penetrations including electrical, data, and medical gas installed under separate contract. The difficulty here is walls have to be framed out under NAC contractor while penetrations are via separate contractor and then wall finishes again are under NAC contractor. This requires 2 separately contracted contractors to coordinate work with each other concurrently in the same space at the same time. This has the high possibility of one contractor damaging or delaying another's work. This could lead to modifications and delay claims. Has the potential to lead to an estimated \$75,000 in changes.
2. Cath Lab room wall layout and ceiling layout and completion under NAC contractor while Stryker Boom supports and equipment installation is by separate contract. Similar to item 1 directly above this could lead to ceiling or equipment damage between the separate contracts. Has the potential to lead to an estimated \$10,000 in changes.
3. Architectural work and most other electrical work completed under the NAC contractor while complete installation and relocation of and tie-in to fire detection and alarm system within the existing space by separate contract. Similar again to item 1 directly above this could lead to damage to walls, ceilings, and/or alarm systems by the other contractor working in the area. It can also lead to an incomplete fire alarm system which would be a code violation and safety risk as the room function and finish may affect the type of system and further certain alarm systems have to be installed within HVAC systems as well, however the two systems here could be done by different contractors if not sole sourced and so not coordinated correctly. Has the potential to lead to an estimated \$10,000 in changes.

4. Architectural work completed under the NAC contractor while built-in casework and sinks are to be installed under separate contract. This could lead to wall damage and repairs by separate contract as well as delays in finishing the space. Has the potential to lead to an estimated \$10,000 in changes.
5. Select floors and base to be installed under NAC contractor while other floors are required to be installed under separate contractor. This could also lead to coordination issues and damage to floors or walls as separate contractors could be working in same space. Could also lead to inconsistency in floor installations and miss-matching of finishes. Has the potential to lead to an estimated \$10,000 in changes.

VA Connecticut Healthcare System believes the only way for the project to proceed to successful completion is by using Construction Technology Group, Inc. for both contracts as they are the only responsible source for the complete installation of this highly specialized equipment.

If the request for sole-source is approved, the installation of the Cath Lab and R/F rooms would be completed by Construction Technology Group, Inc., as a subcontractor to Philips. The second contract, required for the balance of work, this one being requested here, would be issued directly to Construction Technology Group, Inc. by the VA.

Requiring two separate contractors to work in the same space, and coordinate their work without having a single contractor in charge of the overall project, will likely lead to numerous delays and costly change orders. By using a sole source for all construction, the project is far more likely to be completed on time, on budget, and of acceptable workmanship.

The cost of the overall project being completed by a single contractor is expected to be less than two separate contracts being concurrently completed by two different contractors. In fact, cost savings are anticipated if we use a sole-source contract to complete the balance of work since only one contractor will need to mobilize, and there will be no coordination conflicts between separate contractors. Using two separate contractors will lead to substantial duplication of mobilization and management costs. Further, unacceptable delays due to conflicts are likely if two separate contractors are required. Change orders due to conflicts between separate contractors could easily amount to an estimated \$115,000 in added cost. Further delays in work and likely modifications would likely increase this.

Construction Technology Group, Inc. has a well-known history of successfully completing HTHC projects for the VA. They have done numerous previous projects at West Haven, and are familiar with the facility and Construction Safety practices.

(2) Unusual and Compelling Urgency per FAR 6.302-2

The Philips Cath Lab equipment is already built to suite the space designed for and allocated by this project. This equipment is already being stored by Philips. If this project is not expedited the medical center could lose this equipment and forgo dollars already spent since this equipment is already bought. The VA could lose \$1.9M. Further if this is not expedited, the VA may have to pay storage

fees as well and the longer it is stored the more the VA may have to pay in unnecessary costs. This may become true for the R/F equipment as well if this entire project does not move forward soon.

Therefore if this project is not sole sourced to CTGI, it is expected that contracting processes will be extended and with the possible conflicts and related delays stated above there is a larger likelihood that VA could completely lose the equipment or at least at a minimum pay for delays including storage.

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

Not applicable. No Sources Sought Synopsis was published.

No other actions are planned for this acquisition.

This request for sole-source is driven by the need of a single contractor to be responsible for the completion of two contracts at the same time, in the same space, for the high-tech, high-cost equipment installation. Having two different contractors work concurrently as required in the same space is not reasonable or good practice.

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

The cost of the overall project being completed by a single sole-source contractor is expected to be less than two separate contracts being completed concurrently by two different contractors.

Construction Technology Group, Inc. has a well-known history of successfully completing HTHC projects for the VA. As a result, we have previous pricing data to ensure submitted costs are fair and reasonable. Additionally due to their experience and knowledge with this type of project at VACHS they can better project the actual costs which will likely lead to less unknowns and change orders.

Cost savings are anticipated if we use a single sole-source contract to complete the balance of work since only one contractor will need to mobilize, and there will be no coordination conflicts between separate contractors. Substantial duplication of costs can be avoided using a single contractor. Change orders due to conflicts between separate contractors could easily amount to about \$115,000 in added cost.

Further delays in executing the contract for construction could result in loss of the Cath Lab equipment or storage fees.

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

No market research was conducted. This request for sole-source is driven by the need of a single contractor to be responsible for the completion of two contracts at the same time for a high-tech, high-cost equipment installation.

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

The removal of the existing Cath Lab and R/F (X-Ray) equipment with new Philips equipment must be performed concurrently. The space layout also requires reconfiguration due to patient flow and infection prevention standards. Requiring two separate contractors to work in the same space, and coordinate their work without having a single general contractor in charge of the overall project will likely lead to numerous delays and change orders. By using a sole source, the project is far more likely to be completed on time, on budget and of acceptable workmanship.

The completion of two contracts at the same time for a high-tech, high-cost equipment installation by other than a single contractor places the installation at an unacceptable risk of timely and cost-effective completion.

Requiring two separate contracts creates a project without a single responsible party reporting to the VA. Under these conditions each scope of work for the project is dependent on the performance of the other contractor who is not under their control. This presents a very high risk to the VA, especially for a high-tech, high-cost Cath Lab and R/F installation.

Additional complication and coordination is that the VA will still be operating an adjacent in use Cath Lab,. Coordination with multiple contractors in this area will be even more difficult and can lead to infection prevention and safety hazards to the patients and staff in the work area.

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

Not applicable. No solicitation was published.

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 replacement of the existing Cath lab and R/F (X-Ray) with a new is unique as it requires significant demolition and repair of existing construction and systems to allow build-out of the required renovated space. This work must be performed concurrently. There is no expected requirement for subsequent acquisitions for supplies or services related to this project.

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.



Digitally signed by: harry.
lovett@va.gov
Date: 2017.05.17 11:49:38 -05'00'

Harry Lovett
Acting Chief of FMS
VA Connecticut Healthcare System

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.

Richard S.

Coutermarsh 365945

Digitally signed by Richard S.

Coutermarsh 365945

Date: 2017.12.07 13:11:24 -05'00'

Name

Date

Title

Facility

Carol

Domingue

647843

Digitally signed by
Carol Domingue
647843
Date: 2017.12.07
14:29:11 -05'00'

a1. Procurement Analyst Concurrence:

Carol Domingue

Date: **12/7/2017**

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

Gerald F.

Jacobs 668993

Digitally signed by Gerald

F. Jacobs 668993

Date: 2017.12.11 09:11:17
-05'00'

12/11/2017

Name

Date

NCO 01 Director of Contracting or Designee

Facility

- c. **VHA SAO HCA Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval (if over \$13.5 million) or approve (\$700K to 13.5 million) for other than full and open competition.

JOSEPH MALETTA

1347841

Digitally signed by JOSEPH

MALETTA 1347841

Date: 2017.12.12 15:24:35 -05'00'

Name

Date

VHA Head of Contracting Activity (HCA) or Designee