

VHAPM Part 819.7007/7008 Sole Source Awards to a Verified Service-Disabled Veteran-owned Small Business/Veteran-owned Small Business

Attachment 1: Request for SDVOSB/VOSB Sole Source Justification Format >\$150K

DEPARTMENT OF VETERANS AFFAIRS

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

1. **Contracting Activity:** Department of Veterans Affairs, VISN 23/NCO 23, VA Central Iowa Health Care System, Des Moines, IA.

Acquisition Plan Action ID: VA263-17-AP-12863

Purchase Request Number: 636-18-1-3555-0001

2. **Nature and/or Description of the Action Being Processed:** A new firm fixed price design contract to Calvin L. Hinz Architects (CLH) a Service Disabled Veteran Owned Business (SDVOSB) is needed to redesign Minor Project 636-122 Mental Health Outpatient Clinic due to within scope design changes. The new requirements for the Mental Health Outpatient design will reflect a facility reprogram and redesign, downsized from a 29,140 Building Gross Square Feet to 19,000 Building Gross Square Feet. The building design will take into consideration the potential of additional space to be constructed for vertical/lateral growth for future expansion floor plans. The final product will yield a fully functional building for mental health services. This action under review will be awarded as a new firm fixed price contract and the existing contract will be closed out.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** Space Requirements for a new 19,000 Building Gross Square Feet space for Mental Health clinics and provide needed space for associated/supportive Specialty Care clinics/programs to ensure seamless mental health services close to the medical center and all other patient care services. It will also create staffing efficiencies impossible now due to the disjointed care that leads to poor Veteran satisfaction. Having all Outpatient Mental Health services in one building contributes to seamless care and ensures Veteran satisfaction. Delivery of 100% construction document bid package to the VACIHCS is expected to be 22 weeks after written issuance of the Notice to Proceed (NTP).

Estimated Value: \$ 403,925.00

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) 819.7007 Sole source awards to a verified service-disabled veteran-owned small business

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5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** CLH Architects was originally issued a task order for design of Minor Project 636-122, Mental Health Outpatient Clinic off the NCO 23 IDIQ. The original design was ninety-five (95%) completed before VA directed changes. Specifically, changes are necessary because based upon receipt of the first construction cost estimate from the Architect-Engineer and a review of the factors associated with construction of a new building, the cost was estimated to exceed the approved \$10,000,000 cap for Minor construction. Additional options were previously incorporated into the design. The SOW was revised to include relocating the building to a site closer in proximity to the Domiciliary and removing the third floor to reduce the building size from 36,000 gross building square to 19,000 gross building square feet to put the building cost below the funding cap. The services requested for this acquisition would utilize the 95% initial design documents (i.e. design charrette, investigative services, schematic design, previously supplied by the A/E) from CLH Architects original task order and modification which has been completed and reviewed by VA Engineering. It is expected that if another A/E firm is used there would be substantial duplication of costs to the Government that would not be recovered through competition. The IGE redesign efforts are estimated to cost approximately \$403,925.00; while the estimated cost to compete a brand-new design, w/o CPS, from the start would be greater than \$790K. The deliverable timeframe of 100% Construction Documents bid items is estimated to be approximately 22 weeks from the issue of the NTP versus 62 weeks if a brand-new design needed to be completed by another A/E firm.

Accordingly, CLH Architects is the only firm capable of providing the design services described in Section 3 above without the Veteran's Health Administration experiencing substantial financial loss which could not be recovered through competition. Recompeting the A/E design services would also result in delays in fulfilling the requirements.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** A Special Notice with intent to Sole Source to the SDVOSB Calvin L. Hinz Architects was posted on FBO.gov on **September 29, 2017**. The contracting office did not receive any responses from other potential vendors within the (10) day window of the special notice posting. Therefore, no other contractors were identified as a potential source for this design requirement. The original task order for this design was competed from the NCO 23 IDIQ with a total of (10) ten NCO 23 IDIQ contract holders' qualifications being reviewed and evaluated. Other A/E firms were considered for this action; however, they are expected to be unsuccessful if this action were to be re-competed due to the nature of the acquisition described in Number 5, as no other A/E firm has the proprietary 95% Construction Design Documents.
7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** The existing IDIQ contract was competed initially to (10) ten A/E firms. The anticipated costs shall be determined Fair and Reasonable by the awarding Contracting Officer based upon market research and past similar requirements. It is expected that negotiated and awarded per hour costs of each of the disciplines that were used on the original NCO 23 IDIQ proposal for CLH Architects can be used to assist in finding the price Fair and Reasonable for the new requirements. A technical evaluation will be completed to ensure that the number of labor hours proposed is Fair and Reasonable based upon the VA anticipated effort for investigations, design, and Design documentation for this project.

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The IGCE for the A/E Design portion of this project was created by utilizing historical competitive pricing of comparable projects within the VA. The historical projects used in creating the IGCE were 636-123 Construct Community Living Center Cottages and 636A6-CSI-503 Construct Warehouse. In addition, historical per hour discipline rates proposed by A/E design firms for five (5) IDIQ solicitation proposals for VISN 23 VA Medical Center design services were evaluated and used. Data was also found at the United States Department of Labor Occupational Employment and Wages for Architecture and Engineering Occupations and was used as a source to determine current estimates for national engineering discipline rates. This information was used in conjunction with the VISN 23 A/E IDIQ contract holders after the per hour discipline rates were adjusted for escalation to establish the base rates for this current project. Market research was conducted on VIP which showed other SDVOSB A/E firms were considered for this action; however, they are expected to be unsuccessful if this action were to be re-competed due to the nature of the acquisition described in Number 5, as no other A/E firm has the proprietary 95% Construction Design Documents.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Current market research on Vendor Information Pages has determined there are at least two possible SDVOSB vendors that can provide the design. However, other A/E firms are unable to use a portion of the design completed by the SDVOSB vendor CLH Architects without having to duplicate efforts made in the original design including redesigning to their own standards and/or means, reviewing the completed design, or understanding the need of the project in whole.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** The 95% Construction Documents were completed by CLH Architects for the original design for this project. CLH is an SDVOSB and the original award was competed on the NCO 23 IDIQ which consisted of (10) ten A/E firms. The new requirements shall utilize the 95% design documents of the original design. Being able to use the 95% design documents will eliminate duplication of design and construction documentation costs and eliminate excessive time in development of the re-design/scope changes of this project.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Other A/E firms were previously contacted to inquire if they would be willing to take on designs that a previous A/E firm had begun and all firms declined taking on designs mid-way through. CLH Architects, which is a SDVOSB is the only vendor that has expressed interest in this 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:** Past actions have shown the fostering of competition. This design was initially competed on the NCO 23 IDIQ and an SDVOSB firm was selected. Future acquisitions will continue to uphold the competition requirements by ensuring the Veterans First Contracting Program is followed along with market research and the checking of the VIP database.

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- 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.

Roger A. Fry

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Date: 2017.10.10 13:09:33 -05'00'

Roger Fry
Supervisor - Project Section/General Engineer/COR
VACIHCS, Des Moines, IA

Date

Contracting Officer and Designee's Certification: I certify that the foregoing justification is accurate, complete to the best of my knowledge, and meets requirements for other than full and open

Michael

Casper 574272

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Michael Casper
Construction Branch Chief/ CO
NCO 23 – Des Moines Division

Date