

Other Than Full and Open Competition (OFOC)

Request for Sole Source Justification Format >SAT

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval (J&A) For Other Than Full and Open Competition (>SAT)

Acquisition Plan Action ID: 36C263-18-AP-0789

1. **Contracting Activity:** Department of Veterans Affairs, Network 23 Contracting Office, Sioux Falls, for the Sioux Falls VA Health Care System (SFVAHCS), 2501 W 22nd Street, Sioux Falls, SD 57105.
2. **Nature and/or Description of the Action Being Processed:** The SFVAHCS is seeking to procure a service contract to continue service with South Dakota Network LLC. (SDN) to provide a 10 MPS Metro Ethernet data communications circuit between Sioux Falls HCS as the primary location and continued use of Metro Ethernet circuit installed between Black Hills HCS and the SFVAHCS to provide for voice, video and data network redundancy. This is an individual sole source justification to support a single award procurement action. The period of performance is September 01, 2018 through August 31, 2019 and four option years with an estimated ultimate completion date of 08/31/2023 if all option periods are exercised. Per the independent government cost estimate, the price for the base year period of performance is estimated to be \$100,187.00 and the total aggregate price inclusive of all option periods is \$500,937.00.

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for data communication lines in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and 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:** Data communication services from SDN for the period beginning September 01, 2018 through August 31, 2019 and four option years are required to meet the following agency needs:
Continued use of existing Metro Ethernet circuits connecting SFVAHCS as the primary locations and Community Based Outpatient Clinics (CBOCs) located in Aberdeen, SD, Watertown, SD, Wagner, SD, Sioux City, IA, and Spirit Lake, IA as well as Vet Centers located in Sioux Falls, SD and Sioux City, IA, Sioux Falls HCS Annex location, Avera Medical center and redundant back-up circuit between SFVAHCS and Black Hills HCS. The estimated cost of this service is \$100,187.40 per year; aggregate value for a base and four option years \$500,937.00.
4. **Statutory Authority Permitting Other than Full and Open Competition:**
Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per 41 USC §3304(a)(1), as implemented by FAR 6.302-1.
FAR13.5 Simplified Procedures for Certain Commercial Items: The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** Circuits currently in use are utilized to transmit voice, video, and data communications between the above listed locations and a loss of these circuits/services would severely impact the mission of the SFVAHCS and would create an immediate and emergent negative impact on patient care to the point of losing the ability to carry out health care services. SDN communications has a redundant data network across the state of South Dakota which allows for redundant communication circuit paths where the Sioux Falls VA requires service. SDN Communications is the only communications provider that can provide the needs of the agency without substantial duplication of cost to the government that would not be recovered through competition. Factors that may impede competition include; Firms are required to be licensed in the State of South Dakota before they can offer this service. Additionally, the distance to each CBOC requiring service implies remote locations require expansive coverage area, timeliness of customer service, and schedule of services. Solutions provided by vendors require install of totally new circuits and infrastructure redesign that would require the purchase of more than \$15,000 of equipment for each location (over \$100,000). Up front cost of these circuits is expected to more than double the current cost of existing services.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Market research was conducted and data communication service is available from other firms. A request for information (RFI) 36C26318Q9751 was posted to the Federal Business Opportunities website (www.FBO.gov) on 07/25/2018. At the closing of the RFI on 07/31/2018, three responses had been received by the Contracting Officer. Two each SDVOSB contractors and one large business expressed interest in this procurement. However, solutions provided by vendors require install of totally new circuits and infrastructure redesign that would require the purchase of costly equipment and force a new contractor to obtain one or more sub-contractors that increases monthly costs for this service. There is an expected high change-over costs due to installation of communication equipment required to make contractor equipment compatible with existing circuits. The cost to install new circuits would be a duplication in costs as VA already has the necessary circuits in place for SDN's services. The substantial duplication in costs would not be recovered through a competitive acquisition.
7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** The requirement to continue use of existing Metro Ethernet circuits connecting SFVAHCS as the primary location and CBOCs located in Aberdeen, SD; Watertown, SD; Wagner, SD; Sioux City, IA; and Spirit Lake, IA as well as Vet Centers located in Sioux Falls, and Sioux City, IA, SFVAHCS Annex location, and redundant backup circuits between SFVAHCS and Black Hills HCS. The estimated cost of this service is \$100,187.40 per year; aggregate value for a base and four option years \$500,937.00. The cost to the Government will be determined as fair and reasonable by the Contracting Officer prior to contract award.

Other Than Full and Open Competition (OFOC) Request for Sole
Source Justification Format >SAT

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons

Market Research Was Not Conducted: Market research was conducted. An RFI was posted to Federal Business Opportunities (www.FBO.gov) resulting in three interested parties stating their interest in this procurement, however, if this procurement were competed/ awarded to another contractor the high cost of interface equipment and subsequent requirement for multiple circuits becomes cost prohibitive for the agency. It is estimated that awarding this procurement to a different vendor would cost the VA a minimum of \$50,000 for additional Interface equipment the additional circuits required would cost over \$100,000. The additional new circuits would not provide the redundancy required to carry on operations in the event of carrier loss.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition: *None*

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

South Dakota Network LLC.
2900 W 10th St.
Sioux Falls, SD 57104
DUNS: 623894359 / Small Business

RFI responses:

Carroll Communications
95 Dots Dr.
Tabor City, NC 28463
DUNS 961603169
SDVOSB

End-To-End Computing Company LLC
2317 Jefferson Davis Hwy, Unit 102
Alexandria, VA 22301
DUNS 078442180
SDVOSB

Granite Telecommunications, LLC
100 Newport Avenue Extension
Quincy, MA 02171
DUNS 111777939
Large Business

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:

Market research shall continue to be performed to determine if any other communications providers may be available to the perform this service.

Other Than Full and Open Competition (OFOC) Request for Sole
Source Justification Format >SAT

- 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.

Eric J. Heiser
192210

Digitally signed by Eric J. Heiser
192210
Date: 2018.08.23 08:56:06
-05'00'

Name, Title, Facility

08/23/2018

Date

13. Approvals in accordance with the VHAPM Part 806.3 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.

SCOTT L. MORRISON
548164

Digitally signed by SCOTT L.
MORRISON 548164

Date: 2018.08.23 08:58:44 -05'00'

Scott Morrison, Contracting Officer
Network Contracting Office 23

Date

- b. **One Level Above the Contracting Officer (Required over \$150K but not exceeding \$700K):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for other than full and open competition. I certify the justification meets requirements for other than full and open competition.

Kelly E. Nussbaum
246222

Digitally signed by Kelly E.
Nussbaum 246222
Date: 2018.08.23 13:34:03 -05'00'

Kelly Nussbaum, Branch Chief
Network Contracting Office 23
Services Team - Sioux Falls

08/23/2018

Date