

LIMITED SOURCES JUSTIFICATION

ORDER >SAT

FAR PART 8.405-6

Acquisition Plan Action ID: 36C770-19-AP-0866

1. Contracting Activity:

Department of Veterans Affairs
Network 15 Contracting Office (NCO 15)
3450 South 13th Street
Leavenworth, KS 66048

Department of Veterans Affairs, Consolidated Mail Outpatient Pharmacies (CMOP):

Leavenworth, KS (760, 770)
Chelmsford, MA (761)
Tucson, AZ (762, 770)
Lancaster, TX (763)
Murfreesboro, TN (764)
Hines, IL (765)
Charleston, SC (766)

Purchase Request Numbers:

760-19-4-162-0327
761-19-4-362-0091
762-19-4-382-0145
763-19-4-328-0310
764-19-4-501-0329
765-19-4-066-0039
766-19-4-604-0176

(The National IT Office is incorporated into the Tucson CMOP's requirement and the CMOP National Office is incorporated into the Leavenworth CMOP's requirement)

2. Description of Action: This acquisition is conducted under the authority of the Multiple-Award Schedule Program (41 U.S.C. 251 and 40 U.S.C. 501).

A blanket purchase agreement (BPA) via sole source with Johnson Controls Security Solutions LLC using GSA FSS contract GS-07F-225CA is being contemplated. The Period of performance is 09/30/2019 through 09/29/2020. The requirement is for life cycle management services of the CMOP Enterprise Wide Security System at the nine above designated facilities. The rationale for contract type and length is to award a contract,

which immediately replaces the Department of Health and Human Services' (HHS) Interagency Agreement (IAA) HHSP23320180000FB that is being abruptly terminated at the end of the current period of performance. This HHS decision to terminate leaves the VA's two CMOP administrative offices and its seven CMOP facilities without any security monitoring equipment maintenance effective 09/30/2019. The vendor/contractor, Johnson Controls Security Solutions LLC. (JCI) currently provides the contract services on HHSP23320180000FB.

Order against: ☒ FSS Contract Number: GS-07F-225CA

Name of Proposed Contractor: Johnson Controls Security Solutions

Street Address: 3601 Eisenhower Ave., 3rd Floor

City, State, Zip: Alexandria, VA 22304

Phone: 703-317-4464

3. Description of Supplies or Services:

The estimated value of the proposed action is \$842,451.17

This requirement is for Life Cycle Management of the CMOP Enterprise Wide Security System at the nine designated facilities. Life Cycle Management includes a comprehensive service to support emergency response, preventative maintenance, unscheduled repair response, system documentation as well as managing needed system updates or changes in configuration for both the hardware and software components. Performance of these services will be through a common management system, overseen by a Program Manager, and implemented simultaneously and similarly by local, factory-trained and certified staff for each CMOP location. Each of the nine sites has drawings, reports and system information for the existing facility installed systems. Systems are integrated and consist of a Bosch Intrusion Detection System (IDS), Johnson Controls P2000 Access Control System (PACS) and a Pelco Endura Video Management System (VMS). The enterprise system includes additional equipment for aggregation of the camera systems and reporting/archiving of access control data across all CMOP wide systems. VA CMOP customer desires to obtain support services to ensure these systems remain operationally functional and reliable in the future. The requirement includes the following locations:

Station	Facility	Location	Type Work
760	Leavenworth CMOP	Leavenworth, KS	Integrated Local Systems
761	Chelmsford CMOP	Chelmsford, MA	Integrated Local Systems
762	Tucson CMOP	Tucson, AZ	Integrated Local Systems

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Attachment 2: Request for Limited Sources Justification Format >SAT

763	Lancaster CMOP	Lancaster, TX	Integrated Local Systems
764	Murfreesboro CMOP	Murfreesboro, TN	Integrated Local/Enterprise Systems
765	Hines CMOP	Hines, IL	Integrated Local Systems
766	Charleston CMOP	Charleston, SC	Integrated Local Systems
770	CMOP National Office	Leavenworth, KS	Integrated Local Systems
770	National CMOP IT Office	Tucson, AZ	Integrated Local/Enterprise Systems

(The National IT Office is incorporated into the Tucson CMOP requirement and the CMOP National Office is incorporated into the Leavenworth CMOP requirement)

This requirement was originally satisfied using an IAA with HHS because HHS has the experienced staff and contract vehicles to provide the specific needs for this requirement. However, in an agency memo dated 06/14/2019 (see attached letter), HHS advised that they will cease providing this service for other agencies. The effective date for termination of services provided to the VA is 09/29/2019.

VA OSP (VACO) – Office of Security and Preparedness (OSP). OSP is working on a long-term solution for all VA security requirements that were being performed via HHS' IAA. However, we anticipate that it will take at least a minimum of one year in order for OSP to provide this service. Accordingly, we are contemplating awarding a BPA as follows:

Period of performance is: 9/30/2019 thru 9/29/2020 \$842,451.17

(4) IDENTIFY THE AUTHORITY AND SUPPORTING RATIONALE (see 8.405-6(a)(1)(i)(A), (B), and (C) or 8.405-6(b)), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE. (CHECK ALL THAT APPLY AND COMPLETE)

☒ An urgent and compelling need exists and following the ordering procedures would result in unacceptable delays.

The life cycle management services performed on the CMOPs Enterprise Wide Security System are critical to the operation of each CMOP facility. These management services help maintain the security of these facilities, enable the staff to monitor operations and enhance efficiency.

The current contract for these services is being terminated prior to the final period of performance (i.e. option year IV) date of 09/29/2022 due to circumstances outside of the VA's control. The effective date for termination of services as provided by HHS is 09/29/2019. Consequently, there are less than two months to replace the IAA for these services and no bridge contract is possible. Less than two months is insufficient time to solicit, evaluate and award to a new vendor. A competed acquisition will also require time for vendors to inspect all the equipment in each of the nine CMOP facilities.

JCI has provided these services satisfactorily for the past two years. They are familiar with all the equipment in each of the facilities and have records of the maintenance history. This knowledge is critical for the maintenance of these hardware and software systems.

The action being contemplated is a follow-on sole source contract directly awarded JCI for the same services that were being provided through HHS via an IAA. Soliciting competition at this point would create substantial duplication and cost to the Government for another company would need to take stock of the condition of all the equipment before they could take responsibility for the maintenance.

☐ Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized; *Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.*

☐ In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☐ Items peculiar to one manufacturer:

☐ A patent, copyright or proprietary data limits competition. The proprietary data is: (If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

☐ These are "direct replacements" parts/components for existing equipment.

☐ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

A blanket purchase agreement (BPA) via sole source with Johnson Controls Security Solutions LLC using GSA FSS contract GS-07F-225CA is being contemplated. GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

The VA's VIP database and the GSA's eLibrary were queried and two lists of potential sources are attached (see market research report). However, there would be a substantial duplication of effort and cost required for any other vendor to step in and take over these maintenance operations. Additionally, having less than two months to procure a new contract is insufficient time to solicit, evaluate and award to a new vendor. A competed acquisition will also require time for vendors to inspect all the equipment in each of the nine CMOP facilities.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Veterans Health Administration Consolidated Mail Outpatient Pharmacy has a total of (9) buildings across the United States. There are seven (7) production facilities and two (2) administrative buildings. These facilities reside in Chelmsford MA, Charleston SC, Murfreesboro TN, Leavenworth KS, Hines, IL, Lancaster TX and Tucson AZ respectively. Security is critical for these facilities as they process more than 120,000,000 prescriptions annually, handling more than 85% of the outpatient prescriptions for VHA. This requires large volumes of both controlled and uncontrolled pharmaceutical drugs to be stored and processed through these facilities. Prior to 2013 there was no standard for security practices and procedures to protect this mission critical operation. The HHS IAA and the contemplated follow-on BPA with Johnson Controls Security Solutions LLC have and will support the aforementioned operations.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

VA OSP (VACO) – Office of Security and Preparedness (OSP). OSP is working on a long-term solution for all VA security requirements that were being performed via HHS' IAA. However, we

anticipate that it will take at least a minimum of one year in order for OSP to provide this service.

(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

PETER J CARBREY 168392 Digitally signed by PETER J CARBREY 168392
Date: 2019.09.17 09:14:29 -05'00'

PETE CARBREY
NATIONAL CMOP LOGISTICS MANAGER

DATE

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM Part 806.3 OFOC SOP: *This part is filled out by Contracting Staff as part of the Justification*

a. CONTRACTING OFFICER'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Ralph R. Crum 547284 Digitally signed by Ralph R. Crum 547284
Date: 2019.09.17 09:44:47 -05'00'

RALPH CRUM
CONTRACTING OFFICER
NCO15

DATE

b. One Level Above the Contracting Officer (Required over the SAT but not exceeding \$700K):
I certify the justification meets requirements for other than full and open competition.

SCOTT R FISCUS 381888 Digitally signed by SCOTT R FISCUS 381888
Date: 2019.09.18 21:23:40 -05'00'

SCOTT FISCUS
DIRECTOR OF CONTRACTING
NCO15

DATE

HIGHER LEVEL APPROVAL (Required for orders over \$700,000):

c. **VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$68 million):** 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 restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

TERRY L.
SPITZMILLER
394683

Digitally signed by TERRY
L. SPITZMILLER 394683
Date: 2019.09.24 10:51:09
-05'00'

09/24/2019

TERRY L. SPITZMILLER
EXECUTIVE DIRECTOR
REGIONAL PROCUREMENT OFFICE CENTRAL (VHA)

DATE



To: Non-Department of Department of Defense Customers
From: Melissa McAbee, Program Support Center, Acting Head of Contracting Activity
Date: June 14, 2019
Re: Interagency Acquisitions Conducted by PSC

Effective immediately, the Department of Health and Human Services (HHS), Program Support Center (PSC) is terminating its assisted acquisition program for non-HHS agencies.

As the result of an internal review that is ongoing, PSC has determined that it does not have the policies, procedures, or internal controls necessary to conduct assisted acquisitions for agencies outside of HHS. PSC is not accepting new requirements from non-HHS funding/requesting agencies, and PSC has identified the following as the maximum limits of its authority to continue providing acquisition support to non-HHS agencies while PSC completes the ongoing review of its assisted acquisition program:

1. Active Contracts/Orders

For those non-HHS agencies that have active contracts/orders with PSC, PSC does not intend to enter into new contract actions after 30 September 2019, and PSC does not intend to enter into new contract actions that will result in a period of performance that extends past 30 September, 2020. For contract actions that have a period of performance that extends past 30 September, 2020, PSC is prepared to either transfer contract administration to a contracting office specified by the non-HHS funding/requesting agency on a priority basis or reduce the period of performance. Effective immediately, if funding acceptance is required for contract administration by PSC, a determination and findings signed in accordance with FAR 17.502-2(c), and advanced payment for all of the estimated cost of furnishing the supplies or service included in the contract action is required before funding acceptance by PSC (FAR 17.502-2(d)). Contract actions that have not expired by their terms or have not been transferred by 30 September, 2020 will be terminated for convenience.

For those non-HHS funding/requesting agencies that have been identified as having an active contract action with PSC that requires a Contract Security Classification Specification, DD 254 (DD-254), a Memorandum of Understanding (MOU) has been drafted and will be provided to affected non-HHS funding/requesting agencies concurrent with this notification. Additional requirements apply to contract actions affected by a DD-254.

2. New Work and Solicitations

Any funding document for new work will be canceled by PSC and returned to the non-HHS funding/requesting office as soon as reasonably prudent. Active solicitations will be canceled, and no new awards will be made by PSC on behalf of non-HHS agencies. The reasonable basis for such cancellations is PSC's determination that it does not have the policies, procedures, or internal controls necessary to conduct assisted acquisition services for agencies outside of HHS. Canceling and returning funding will allow non-HHS agencies to utilize funding within an internal contract office or with another shared service organization. PSC will cooperate in providing information that will assist non-HHS agencies in utilizing work that has been completed.

Questions concerning this policy decision should be directed to Melissa McAbee at Melissa.McAbee@psc.hhs.gov.