

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval
For
Other Than Full and Open Competition

1. Contracting Activity:

Network Contracting Office 15 (NCO 15)

Department of Veterans Affairs, VISN 15, KCVAMC Medical Center, 589-13-3-1834-1123

2. Nature and/or Description of the Action Being Processed:

Firm-fixed-price

Replacement component purchase for an existing Air Handling Unit

Installed by KCVAMC facilities staff

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

Chosen vendor will supply and ship 2 refurbished 50-ton Copeland Compressors, P/N 300048057 with delivery on or before 5/10/2013. Both replacement compressors are identical weighing 916 lbs.

Furthermore, the chosen vendor will supply and ship 2 oil pump switches P/N 300050778 on or before 5/10/13. Thermal Components is the only authorized Kansas City distributor of Copeland factory authorized refurbished parts for the aforementioned part numbers. Total value is \$21,931.50.

4. Statutory Authority Permitting Other than Full and Open Competition:

() (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):

The 2 Copeland compressors are vintage 1995 and on the cusp of their useful life end. Finding new compressors off the shelf for an 18 year old air handling unit to be delivered within our delivery constraints has proven not feasible. The refurbished compressors are in stock and available for quick shipment and receipt on or before 5/10/13. Thermal Components has agreed to these terms.

There is 1 matching Parts Distributor.

Thermal Components Co.

1260 NW Main Street

Lee's Summit, MO 64086

United States

(816) 607-6200

Email: ahanson@thermalcomponents.com

Website: www.thermalcomponents.com

a. Only One Responsible Source (FAR 6.302-1) – In the case of a follow-on contract for continued development or production of a major system or highly specialized equipment/services, the rationale must first justify the supplies/services as being a “major system” or “highly specialized.” The rationale must then justify “either” substantial duplication of cost to the government that is not expected to be recovered through competition, or unacceptable delays in fulfilling the agency’s requirements, whichever situation applies. If both of these situations apply, the rationale can be based on either of these two situations, or both.

b. Unusual and Compelling Urgency (FAR 6.302-2, 6.303-2(a)(9)(ii))

Our primary rooftop air handling unit supply heating, ventilation, & air conditioning for our SICU and MICU wards has failed and we are precariously running on a back-up compressor with an imminent catastrophic failure approaching. The replacement compressors will be installed via in-house staff on 5/11/13 without patient care interruption on our SICU & MICU wards. We have been precariously surviving using outside air and humidity but these days are ending soon with forecasted temperatures creeping back to normal for this region; 70s to 80s high temperatures. When the outside air temperature is 60 °F, the BLDG temperature is ~ 75 °F representing a 15 °F differential. Our veteran patients on the SICU & MICU wards cannot handle temperatures beyond 75 °F. Furthermore, the daily cost to fee base one MICU or SICU patient is ~ \$17k. Purchasing the two refurbished compressors will cost a fraction more than the cost of one fee base expenditure. Multiply this by ~ 20 ICU rooms (assuming 100% census) and this purchase has an immediate payback.

With average patient census at ~20 ICU rooms on both wards, the KCVAMC will stand to lose \$340k daily at 100% SICU & MICU census. We will avoid such an expenditure with the purchase of the 2 refurbished compressors and new oil switches, but most important we will not disrupt our veteran population occupying these 2 wards.

c. Industrial Mobilization; or Engineering, Developmental, or Research Capability (FAR 6.302-3) - The most important part of justifications citing this authority is demonstrating the need to maintain the capability possessed by the identified source(s). Some form of market survey may be critical in demonstrating the uniqueness of this capability.

d. Authorized or Required by Statute (FAR 6.302-5) – It is imperative to identify what is being acquired and the applicable statute authorizing other than full and open competition. Note: Some statutes do not require a written J&A.

e. National Security (FAR 6.302-6) - Provide the minimum essential information needed to establish validity of the justification. This information will make the J&A a classified document. Special handling procedures are required for processing such documentation to the approval authority. Only parties with a “need to know” and the proper level of security clearance should be permitted access to the documentation. Such acquisitions are also exempt from synopsis under FAR 5.202(a)(1).

f. Public Interest (FAR 6.302-7) - This authority may only be used when none of the other authorities is appropriate and may not be made on a class basis. Provide detail addressing the reasons full and open competition is not in the public interest and why no other authority is appropriate for use. Approval to use this statutory exemption may only be made by a written determination by the Secretary of Veterans Affairs, and with Congressional notification not less than 30 days before award of the contract.

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

Our primary rooftop air handling unit supply heating, ventilation, & air conditioning for our SICU and MICU wards has failed and we are precariously running on a back-up compressor with an imminent catastrophic failure approaching. The replacement compressors will be installed via in-house staff on 5/11/13 without patient care interruption on our SICU & MICU wards. We have been precariously surviving using outside air and humidity but these days are ending soon with forecasted temperatures creeping back to normal for this region; 70s to 80s high temperatures. When the outside air temperature is 60 °F, the BLDG temperature is ~ 75 °F representing a 15 °F differential. Our veteran patients on the SICU & MICU wards cannot handle temperatures beyond 75 °F. Furthermore, the daily cost to fee base one MICU or SICU patient is ~ \$17k. Purchasing the two refurbished compressors will cost a fraction more than the cost of one fee base expenditure. Multiply this by ~ 20 ICU rooms (assuming 100% census) and this purchase has an immediate payback.

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The medical center conducted market research and found two possible vendors, only one of which was capable of providing the needed parts in the time required. The 2 Copeland compressors are vintage 1995 and on the cusp of their useful life end. Finding new compressors off the shelf for an 18 year old air handling unit to be delivered within our delivery constraints has proven not feasible. The refurbished compressors are in stock and available for quick shipment and receipt on or before 5/10/13. Thermal Components has agreed to these terms

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

Refurbished Copeland compressors have been provided for the Kansas City VA Medical Center in the past repairing vintage HVAC equipment in all BLDGs on campus. Furthermore, their refurbished compressor quality is exceptional, as well as their customer service by providing a short lead time solving our emergent need.

Fair and reasonable cost analysis:

- New compressor unit price; need 2: \$15k
 - Lead-time: 6 – 8 weeks
 - Warranty: 3 years
- Refurbished compressor unit price; need 2: \$11k
 - Lead-time: 2 days
 - Warranty: 1 year
 - BLDG 26 roof-top Air Handling Unit (AHU) is scheduled for replacement in 2014 defining the end of useful life

Based on the above, the price for this procurement is determined to be fair and reasonable.

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 and two possible vendors were found, only one of which could provide the needed parts in the time required. The 2 Copeland compressors are vintage 1995 and on the cusp of their useful life end. Finding new compressors off the shelf for an 18 year old air handling unit to be delivered within our delivery constraints has proven not feasible. The refurbished compressors are in stock and available for quick shipment and receipt on or before 5/10/13. Thermal Components has agreed to these terms

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

N/A

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

Quotes were obtained from the following vendors:

- Thermal Components Company
1260 NW Main Street
Lee's Summit, MO 64063-0219
<http://www.thermalcomponents.com/contacts.html>
- Daikin McQuay
13600 Industiral Park Blvd.
Minneapolis, MN 55441
<http://www.daikinmcquay.com/McQuay/locator/PartsDistLocator?type=PRT&product=Chiller%20Products&country=United%20States&province=&state=&zip=64128&submit=Y>

There is 1 matching Parts Distributor.

Thermal Components Co.
1260 NW Main Street
Lee's Summit, MO 64086
United States
(816) 607-6200
Email: ahanson@thermalcomponents.com
Website: www.thermalcomponents.com

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:

This is an emergency procurement, therefore this is N/A.

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.


George Hazel
Chief, Facilities Management Service
Kansas City VA Medical Center
4801 Linwood BLVD
Kansas City, MO 64128

05/08/13
Date

13. Approvals in accordance with FAR 6.304

a. Contracting Officer's Certification: (required) I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Lori Kopacz
LORI KOPACZ
CONTRACTING OFFICER
NCO 15

5/10/13
Date

b. NCM/PCM: I certify the justification meets requirements for other than full and open competition.

Christine L. Scena
CHRISTINE L. SCENA
NETWORK CONTRACT MANAGER
NCO 15

5-14-2013
Date