DEPARTMENT OF VETERANS AFFAIRS
BRAND NAME JUSTIFICATION UNDER SIMPLIFIED PROCEDURES FOR CERTAIN COMMERCIAL ITEMS IN ACCORDANCE WITH RFO 12.102
Acquisition

Plan Action ID: 36C249-26-AP-1717

1. **Contracting Activity:** Department of Veterans Affairs, VISN 09, TN Valley Medical Center-Alvin C. York Campus, Network Office (NCO) 9
   2237: TBD- NRM Funding
2. **Nature and/or Description of the Action Being Processed:** The TN Valley Healthcare System (TVHS) Video Surveillance and Security System Project requires a single-source justification to limit integration of the new cameras to Johnson Controls. Johnson Controls is the sole provider with proprietary rights and exclusive technical authorization to integrate new cameras and security software into the existing security systems used across TVHS locations.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The Department of Veterans Affairs requires comprehensive integration services to support the modernization of the Tennessee Valley Healthcare System's (TVHS) security monitoring infrastructure. As part of an ongoing construction project, new security cameras and related equipment are being procured to replace the existing system with a high-definition, enterprise-level video surveillance platform. Required services include connecting into the current security infrastructure without disrupting operations to finalize the upgrade project. JCI is the proprietary owner and maintainer of the current security infrastructure and all ancillary infrastructure needed to deliver a fully integrated and functional monitoring solution. The upgraded system will introduce advanced capabilities, including artificial-intelligence-enabled video analytics, to enhance monitoring, detection, and response across the York VA Medical Center campus. To ensure seamless integration, interoperability, and system performance, the newly installed equipment must be incorporated into the existing security architecture without disrupting ongoing operations.

   [redacted]

   Estimated Period of Performance is: 365 calendar days after Notice to Proceed: July 15, 2026 – July 15, 2027

4. **Statutory Authority Permitting Restricted Competition:**
   RFO 12.201 applying the Simplified Procedures for Commercial Items is 41 U.S.C. § 1901 for restricting competition on this procurement.
   Competition is restricted on this procurement for the reason below:
   (X) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements (**Brand Name**)
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 modernization of the Alvin C. York Tennessee Valley Healthcare System (TVHS) security monitoring system requires a surveillance platform that is fully compatible with the facility's existing Physical Access Control System (PACS), Intrusion Detection System (IDS), communication infrastructure, and all VA-mandated cybersecurity and interoperability standards. Technical evaluations and system compatibility assessments confirm that Johnson Controls is the only provider capable of meeting these critical operational and regulatory requirements for the TVHS security infrastructure.

Johnson Controls (JCI) is uniquely qualified to perform the required integration services due to its proprietary role in managing and maintaining the existing Physical Security system at the York VA Medical Center. JCI currently administers the Physical Security maintenance contract and supports the Avigilon software platform used to monitor all security cameras across the facility. Because JCI holds exclusive technical authorization, proprietary system knowledge, and direct responsibility for maintaining the current security environment, all newly installed cameras and network video recorders (NVRs) must be compatible with and fully maintainable under the infrastructure managed by Johnson Controls.

Integration performed by any other vendor would jeopardize system functionality, introduce compatibility conflicts, and prevent the new equipment from being incorporated into the existing maintenance contract. To ensure seamless system integration, preserve warranty and support requirements, and maintain continuous operational readiness of the TVHS security monitoring infrastructure, JCI must perform the integration of all new cameras and associated components.

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

An in-depth market research effort was conducted to identify all potential sources capable of meeting the agency's requirement for a complex, construction-related video security surveillance system. Although this acquisition will be set aside for Service-Disabled Veteran-Owned Small Businesses (SDVOSBs), the requirement also necessitates the use of brand-name Johnson Controls services to ensure full compatibility with existing VA system infrastructures and to avoid disruptions to ongoing operations. To evaluate the availability of qualified sources, a Sources Sought notice was posted with a clear explanation of the brand-name requirement. Responses confirmed that sufficient SDVOSB interest and capability exist to support the procurement under the set-aside.

Following the Sources Sought effort, additional coordination with technical stakeholders and experienced contracting professionals was undertaken to assess other factors affecting competition. This included reviewing SDVOSB subcontracting limitations and evaluating the risk of inadvertently creating an impermissible "pass-through" arrangement. Stakeholders also examined security, interoperability, and regulatory compliance considerations critical to the system's successful integration. The results of this expanded analysis confirmed that no alternative vendor or system—other than Johnson Controls—could meet the interoperability, performance,

and compliance requirements necessary for ensuring seamless modernization and compatibility with existing VA security systems and Avigilon components.

Due to the proprietary nature of Johnson Controls' systems and their exclusive compatibility with the current security environment, only authorized Johnson Controls vendors possess the required proprietary access, integration rights, and technical capability to perform the work. Soliciting offers from vendors without this authorized access would result in system incompatibility, significant performance degradation, and noncompliance with established VA security protocols. Accordingly, Johnson Controls is the only source capable of providing the required services without incurring substantial duplication of costs that could not be recovered through competition or causing unacceptable delays that would adversely affect the VA's operational mission.

7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** An independent cost analysis was developed by a qualified architectural and engineering (A&E) firm to establish an objective Government estimate for the required work. This estimate will be used as a benchmark in evaluating all proposed pricing to ensure that submitted offers are aligned with expected market conditions and industry standards. This requirement will be solicited on SAM.gov as SDVOSB set aside, allowing multiple vendors to submit proposals.

   Competition is a primary means of ensuring fair and reasonable pricing. The CO will conduct appropriate price analysis techniques, including comparison of proposed prices to the independent cost estimate, evaluation of historical pricing (if applicable), and assessment of price realism. Certified cost or pricing data is not anticipated unless adequate price competition is not achieved as anticipated. Additionally, technical evaluations to assess the validity of proposed labor, materials, and associated construction elements may be requested. If necessary, further reviews such as audits or clarifications will be conducted to ensure that the final contract price is fair, reasonable, and in the best interest of the Government.

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

   The Tennessee Valley Healthcare System (TVHS) is undertaking a complex construction project to upgrade its video security surveillance systems, which requires the procurement of new cameras and supporting infrastructure. The requirement involves a brand-name equipment buy for Avigilon products and a brand-name services buy for Johnson Controls to integrate the system into the VA's existing security and IT environment.

   Initial market research indicated that small business prime contractors might be capable of performing the requirement; however, successful performance would require subcontracting substantial portions of the work across multiple specialized disciplines. The project requires brand-name Avigilon products subject to the Buy American Act (BAA), as well as proprietary system integration services from Johnson Controls. Although the requirement is predominantly

construction in nature, these brand-name components and the multi-disciplinary integration required significantly narrow the pool of firms capable of meeting all performance requirements without relying heavily on subcontractors. Additionally, because the Non-Manufacturer Rule (NMR) applies to the Avigilon supply buy, small business set-aside concerns arise regarding the risk of creating a pass-through scenario for a large business manufacturer.

Given the structure and scope of the effort, a small business prime contractor would be required to subcontract the majority of specialized activities, increasing the likelihood of noncompliance with the limitations on subcontracting and heightening the potential for an impermissible pass-through arrangement. These factors elevate regulatory risk, increase the potential for performance deficiencies, and expand contract administration challenges.

The construction-based nature of the requirement, combined with the brand-name specification for Avigilon products, the magnitude and complexity of the construction effort, and the need for proprietary system integration by Johnson Controls, further reduces the number of viable small business prime contractors. Initial market research indicated that available small businesses did not possess the required brand authorization or integration expertise to deliver a compliant turnkey solution. To perform the effort, they would rely on multiple subcontractors to address the project's technical and installation complexities. Because this effort requires coordinated execution across construction, electrical infrastructure, and specialized security system installation, the work must be performed as a unified and integrated effort. Segmenting the requirement or enabling extensive subcontracting to increase small business participation would heighten interoperability risks, increase administrative burden, and likely increase overall costs to the Government.

Following initial market research, an internal review identified concerns requiring additional validation. Further collaboration was conducted with key stakeholders, including local and national SBA liaisons, NCO 9 Procurement Analysts, the Contracting Officer, Contract Specialist, Branch Chief, and Mission Partners. Outreach was also conducted to evaluate whether Johnson Controls—the incumbent maintenance contractor for the VAMC security system—possessed the capability and interest to perform the integration work. While preliminary communication was received, Johnson Controls did not initially provide a definitive statement confirming or denying its capability or interest.

Given the need for updated information related to proprietary brand authorization, technical capability, and potential small business participation, stakeholders determined that issuance of a Sources Sought Notice was necessary to finalize the acquisition strategy. The Sources Sought results confirmed the presence of sufficient Service-Disabled Veteran-Owned Small Business (SDVOSB) firms capable of performing the procurement.

In summary, while sufficient SDVOSBs were identified as capable and interested in performing this requirement, the procurement remains subject to brand-name service requirements for Johnson Controls and brand-name product requirements for Avigilon to ensure seamless integration with

existing VA systems. As such, the NMR applies to the Avigilon supply component and presents heightened risk to the Government. Additionally, because this effort involves the incorporation of materials into a public building as part of a construction project, the BAA applies both to the overall construction requirement and specifically to the brand-name Avigilon products, which are manufactured in the United States.

Based on these findings, the acquisition strategy for the Video Surveillance Security Upgrade supports transitioning from unrestricted full and open competition to a 100% SDVOSB set-aside. This strategy satisfies the VA Rule of Two and establishes a reasonable expectation that at least two capable SDVOSB firms will submit offers at fair and reasonable prices. In accordance with VAAR 819.7005, FAR 19.203, and the results of the updated market research, it is recommended that this requirement be procured as a 100% SDVOSB set-aside and solicited as a Request for Proposal (RFP) on SAM.gov under FAR 12.201-1(c)(1) procedures.

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:** Non-Applicable

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 Department of Veterans Affairs (VA) recognizes the importance of promoting full and open competition to the maximum extent practicable. Although this acquisition is being restricted by brand name limitations due to the proprietary nature of Johnson Controls Inc and Avigilon Software, the VA will take proactive measures to reduce barriers and expand competition for future requirements.

    To achieve this, the agency will undertake the following actions:

    a. Engage with the OEM:
       The VA will continue to communicate with Johnson Control Inc. to determine whether additional partners can be trained, certified, and authorized to provide OSCR services. This will encourage a broader competitive base for future procurements.

    b. Monitor Market Developments:
       The Contracting Officer will continue to monitor market conditions and coordinate with the OEM to determine if additional authorized resellers become available in the future, to promote competition in subsequent procurements when practicable. Through conducting market research to identify new vendors, technology updates, or third-party maintenance providers that may obtain OEM certification or equivalent authorization.

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.

[redacted]

Date

Chief of Engineering Service
TVHS Healthcare Medical Center
(TVHS-York Campus)

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.

[redacted]

Contracting Officer
Network Contracting Office (NCO) 9

b. **One Level Above the Contracting Officer (Required over $350K but not exceeding $900K):** I certify the justification meets requirements for other than full and open competition.

[redacted]

NCO 9 Branch Chief
Network Contracting Office (NCO) 9