

**JUSTIFICATION AND APPROVAL FOR OTHER THAN FULL AND OPEN  
COMPETITION (OVERSEAS CONTRACTING ACTIVITIES) FOR SCHEDULED  
MAINTENANCE OF THE HVAC SYSTEM LOCATED AT THE CHANCERY**

1. The U.S. Embassy in Singapore intends to acquire a one-year contract for scheduled maintenance services for HVAC equipment located at the Chancery. These services will be sole-sourced from Carrier Singapore Pte Ltd who is the incumbent contractor. The one-year contract is required as a “bridge” contract as the Government intends to replace the existing 19-year old Carrier chillers. However, post has no information on the brand of the new chillers or the exact date when the new installation will be made. Post is only aware that the chillers will be replaced by mid-2016 or sooner.

2. A description of the supplies or services required to meet the agency’s needs.

The Contractor will be responsible for scheduled maintenance on a daily, weekly, monthly, quarterly, semi-annual and annual basis. The Contractor shall perform full scheduled maintenance service for the entire HVAC system except the 5- year annual shut down service recommended by the manufacturer.

Unscheduled (repair) services are also included in the contract but these will be priced on “time and materials” basis. Each unscheduled service will be negotiated and price justified for fair and reasonableness before award is made. Unscheduled services above US\$3,000 will be ordered under a separate contract. All unscheduled services under this contract shall not exceed US\$30,000. The Government retains the right to purchase parts direct from companies in the U.S. if the price is more favorable than that offered by the Contractor.

3. An identification of the statutory authority permitting other than full and open competition.

The statutory negotiation authority for the "sole source" procurement is 41 U.S.C. 253(c)(1) - Only one responsible source, implemented by the Federal Acquisition Regulation (FAR) at Subpart 6.302-1.

4. A demonstration that the proposed contractor’s unique qualifications or the nature of the acquisition requires use of the authority cited (for sole source acquisitions; also required for unusual and compelling urgency where more than one offer will not be solicited).

The following reasons support the sole-sourcing of Carrier (S) Pte Ltd:

(1) The Chancery’s main HVAC chillers and its peripheral system are of the CARRIER brand. The Contractor is the local subsidiary of United Technologies Corporation, manufacturer of Carrier brand HVAC equipment, and is the only company appointed by UTC to perform sales and provide maintenance services for the Carrier brand in Singapore. Obtaining the services from this subsidiary is prudent in view of the fact that it is most familiar with its parent manufacturer’s recommendations for maintenance service of Carrier brand equipment and will be able to obtain prompt support from the manufacturer. The company also has ready stock of replacement parts in their inventory.

(2) Carrier (S) Pte Ltd was employed by the Chancery's construction contractor, Dillingham Inc., to install the HVAC system at the Chancery. Thus Carrier (S) Pte Ltd, is very familiar with the entire system and also the work procedures unique to the Embassy. Award to a new contractor other than Carrier (S) will result in much teething problems which is not acceptable in view of the fact that the equipment is critical to the operations of the Embassy.

(3) The Embassy has very limited resources and none to spare for the guidance of a new contractor who is unfamiliar with the system and locations of the various components. A new contractor will also require the Embassy's guidance with respect to rules and regulations unique to the U.S. Embassy. It will not be advantageous to the Government to conduct such "training" and guidance for a short one-year contract term.

(4) The Embassy cannot afford any breakdown/interruptions in the provision of air-conditioning and therefore, there is no room for failure/defective services rendered by a new contractor who is unfamiliar with the equipment. Singapore's hot and humid climate is about 30-33 degrees C and humidity is constantly high. The proper functioning of the various electronic equipment in the building, especially data and telephonic equipment, depends on the availability of constant cooling and low humidity. Any failure in the chillers is certain to interfere with not only the comfort and performance of the employees but also the functionality of critical equipment. A breakdown in the HVAC service will not only mean downtime and repair cost for the HVAC but also for various electronic equipment and cost of replacing/repairing such equipment is immeasurable. Employing a contractor other than Carrier Singapore will pose unacceptable risks.

(5) The Embassy's past experience with Carrier (S) Pte Ltd has proven to be good and highly acceptable.

(6) Much of the existing HVAC system is original building equipment and over 19 years in age. It is reaching, or has exceeded, its intended life cycle and system replacement is currently being discussed and should occur no later than mid-2016. System replacement will require a competitively bid procurement process that may result in another manufacturers equipment being installed. With this possibility existing, and consideration toward new equipment warranty and utilization of a different manufacturer's subsidiary service provider, post believes implementing a single year contract with the current equipment manufacturer's subsidiary service provider offers the proven ability to perform with the flexibility to easily adjust to equipment changes.

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