DETERMINATION AND FINDINGS
FOR
SOLE SOURCE EXTENSION OF A COMPETITIVELY AWARDED CONTRACT
BEYOND FIVE YEARS

Agency: Department of General Services

Contract No.: DCAM-20-NC-RFP-0013 C2

Caption: On-Call Facility Maintenance and Repair Services - Group C Plumbing

Contractor: DC General Construction, Inc.

FINDINGS

1. AUTHORIZATION:

This Determination and Findings (D&F) is issued pursuant to the authority set forth in:

- **D.C. Official Code § 2-351.04(28) –** Defines "Determinations and Findings" as a formal written approval and detailed justification required as a prerequisite for certain contract actions, including the rationale for the procurement method, contract type selection, contractor selection, and basis for contract pricing.

- **D.C. Official Code § 2-354.04 –** Grants authority for noncompetitive procurement, including sole-source contracts, when it is determined to be in the best interest of the District and meets the legally established criteria.

- **27 DCMR § 2000** – Governs the negotiation of contracts, including procurement modifications, accelerated negotiations, and contract extensions in cases where competition is not practicable or not in the District's best interest.

- **27 DCMR § 2005** – Establishes the criteria for using a sole source modification in accordance with Chapter 17, outlining the conditions under which a contract may be extended beyond five years.

- **27 DCMR Chapter 13 1304.1 -** A notice of intent to award a sole source contract shall be published on the Departments' Internet for at least ten (10) days prior to contract award if the estimated price is over five thousand dollars ($5,000).

2. MINIMUM NEED:

The Department of General Services (the "Department" or "DGS") requires the continued engagement of the incumbent Contractor to provide on-call plumbing repair services across various District facilities, including those within the District of Columbia Public Schools (DCPS). These services are essential to ensuring the operational integrity of critical infrastructure, maintaining safe and functional environments, and safeguarding the health and welfare of students, staff, and other building occupants.

Given current market conditions, including inflationary pressures, tariffs, and continued volatility in service costs, it is not in the District's best interest to initiate a competitive source selection process at this time. Industry-wide trends indicate that solicitations for similar services are leading to cost increases of up to 20%, driven by rising material costs, labor expenses, and supply chain disruptions. Proceeding with a Request for Proposals (RFP) or Invitation for Bids (IFB) under these circumstances would likely result in significantly higher pricing, increasing financial strain on the District during an already constrained budget cycle.

By securing a contract extension with the incumbent Contractor at the existing Option Year 4 (OY4) pricing, the District effectively mitigates the risk of excessive cost escalation while ensuring the uninterrupted delivery of essential plumbing repair services. The stability afforded by this extension enables the Department to maintain continuity in critical facility operations without compromising fiscal responsibility.

This extension ensures that the District continues to receive high-quality services at a controlled, historically stable rate while allowing time for market conditions to normalize before proceeding with a long-term competitive procurement strategy.

3. ESTIMATED FAIR AND REASONABLE PRICE:

The contract is structured as an Indefinite Delivery/Indefinite Quantity (IDIQ) agreement with a guaranteed minimum annual spend of $250.00 and a non-guaranteed maximum ordering capacity of $995,000. Task Order awards are issued based on firm-fixed, fully loaded direct labor hourly rates.

As part of the original contract award process, the Contracting Officer (CO) conducted a comprehensive price realism analysis, assessing labor category rates against Department of Labor Wage Determinations (DOL WD), fringe benefits, direct and indirect costs, general and administrative (G&A) expenses, and profit assumptions. The base and all four option year rates were determined to be fair and reasonable through this structured evaluation, ensuring alignment with industry standards and fiscal prudence.

The cost for each task order will be calculated based on the Contractor's firm-fixed labor rates, as specified in the original contract, DCAM-20-NC-RFP-0013 C2. These labor classifications include:

CLIN	SERVICE	UNIT	Standard Response Time	CLIN	Emergency Response Time
4001	Plumbing Mechanic	HRLY	$106.92	4010	$146.32
4002	Plumbing Apprentice/Helper	HRLY	$73.16	4011	$106.92
4003	Project Manager	HRLY	$106.92	4012	$135.06
4004	Supervisor	HRLY	$73.16	4013	$106.92

4. FACTS WHICH JUSTIFY A SOLE SOURCE EXTENSION OF CONTRACT:

This determination is based on several key factors that justify awarding a sole-source extension for the contracts' fifth year:

1. **Market Conditions and Competitive Analysis:**
   Given the prevailing market conditions and ongoing volatility, including rising service costs driven by tariffs, inflation, and economic uncertainties, the Contracting Officer (CO) has determined that continuing services with the incumbent vendors is both warranted and in the best interest of the District.

   The Contractor's commitment to maintaining the Option Year 4 (OY4) pricing offers substantial financial benefits, as current market rates for comparable services—when competitively solicited—have been experiencing annual increases of 10–15% or more. By securing the OY4 pricing structure, the District effectively mitigates potential cost escalations, ensuring financial stability and maximizing cost efficiency during an extension period that coincides with the District's ongoing budget constraints.

   This agreement not only shields the District from the impact of rising market rates but also guarantees high-quality services at historically stable pricing. Furthermore, the CO's comprehensive pricing analysis and realism assessment have confirmed that the OY4 pricing—along with the competitively bid rates for Option Years 1–3—are fair, reasonable and competitive relative to prevailing market benchmarks, reinforcing the justification for this sole source extension.

2. **Operational Continuity of Essential Services:**
   Plumbing services are critical to maintaining safe, functional, and compliant environments in District-owned facilities, including schools, administrative offices, and community spaces. Any service disruption would directly impact the well-being of students, staff, and other building occupants. The incumbent Contractors' familiarity with existing infrastructure and established service history ensures seamless continuity and mitigates operational risks.

3. **Incumbent Expertise and Efficiency:**
   The incumbent Contractor has extensive institutional knowledge of the District's facility Plumbing systems and operational requirements, which enables them to respond swiftly and effectively to service requests. Introducing new contractors within an accelerated timeline would create inefficiencies due to onboarding challenges, learning curves, and potential delays, increasing the risk of service disruptions.

4. **Strategic Procurement Considerations:**
   Given the volatility in market pricing, initiating a competitive solicitation at this time is not financially advantageous to the District. Delaying the source selection process until market conditions stabilize will help ensure a fair and cost-effective procurement outcome, avoiding excessive price increases that would otherwise result from immediate competition.

5. **Risk Mitigation and Budgetary Constraints:**
   The District is facing ongoing budgetary challenges, making cost containment a priority. By securing an extension at current rates, the District minimizes financial risk while ensuring uninterrupted service delivery. Without this extension, the risk of service interruptions, higher replacement costs, and operational inefficiencies increases significantly.

5. CERTIFICATION BY THE FACILITIES DEPUTY DIRECTOR:

I hereby certify that, to the best of my knowledge and belief, the statements contained herein are true, complete, and accurate.

_____ _____

Donny Gonzalez — Date
Deputy Director
Facilities Management Division

6. CERTIFICATION BY THE CONTRACT SPECIALIST:

I have reviewed the above findings and certify to the best of my knowledge and belief, all statements contained herein are true, complete, and accurate.

_____ _____

Vivian Moyana — Date
Contract Specialist
Goods and Services Acquisition Unit

7. CERTIFICATION BY CONTRACTING OFFICER/SUPERVISORY CONTRACT SPECIALIST:

Pursuant to my duty as the Contracting Officer for the Goods and Services Acquisition Unit within the Department of General Services (DGS), I have conducted a thorough and diligent review of the findings supporting the sole source extension of the competitively awarded contract beyond five years. Based on this evaluation, I hereby certify that the justification presented is sound, well-founded, and fully consistent with the statutory and regulatory framework governing procurement within the District of Columbia.

In accordance with Section 404(c) of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Official Code § 2-354.04), the Department's intent to proceed with the sole source extension was duly published, and no responses challenging the determination were received. The findings unequivocally establish that the selected vendor possesses exclusive authorization and technical expertise necessary to fulfill the Department's minimum requirements, thereby warranting approval of the sole source selection methodology.

Accordingly, I respectfully submit this justification for formal approval and determination by the Deputy Chief Procurement Officer, affirming that this procurement action aligns with best practices, fiscal responsibility, and the operational imperatives of the Department.

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Domonique L. Banks — Date
Contracting Officer, Supervisory Contract Specialist
Division of Contracts & Procurement
Goods and Services Acquisition Unit

DETERMINATION

Having thoroughly examined the aforementioned findings and the CO certification pertaining to the appropriateness of employing the sole source extension of the competitively awarded contract beyond five years with the specified Contractor, and in my capacity as the Department of General Services' Deputy Chief Procurement Officer, I affirm that the justification sufficiently warrants the application of the sole source modification method as specified in the cited authority. I certify that the sole source notice of intent to employ the sole source modification method extending the term of the Contract beyond five years was published in accordance with Section 404(c) of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Official Code §2354.04) and that no response was received.

In conclusion, as the Deputy Chief Procurement Officer for the Department of General Services (DGS), I formally endorse the application of the sole source modification method to extend the contract term beyond its originally specified duration. Given the critical nature of on-call facility maintenance and repair services for Group C Plumbing equipment, this extension represents the sole and necessary approach to ensuring uninterrupted operational efficiency and compliance with the District's infrastructure requirements.

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Eric Njonjo Date
Deputy Chief of Procurement Officer
Contracts & Procurement