

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 589-14-1-2761-0018

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source:

Manufacturer/Contractor: Philips Healthcare Inc.

Manufacturer/Contractor POC & phone number: Lee Newman (314)277-0327 lee.newman@philips.com

Mfgr/Contractor Address: 22100 Bothell Everett Hwy, MS 005, Bothell WA 98041

Dealer/Rep address/phone number: N/A

☒ The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs
Network Contracting Office (NCO) 15
3450 W 4th St Trafficway
Leavenworth KS 66048

VISN:

15

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED: Requesting a new service and support contract for a Philips Healthcare., Brilliance CT 40 Slice and accessories with GSA contractor Philips Healthcare, 22100 Bothell-Everett Hwy., P.O. Box 3003, Bothell WA 98041-8431 Tel#: 314.277.0327 Attn: Mr. Lee Newman. Vendor Info# 26934 as specified in Statement of Work (section C).

Length of contract: Base period of one (1) year plus four (4) one (1) year option years.

Period of performance: November 1, 2013 > October 31, 2018.

Approximate price: \$76,920.00 base year plus \$76,920.00 for each of the option years. The Base year price includes annual maintenance and repair at \$76,920.00. TOTAL of \$384,600.00

This contract will replace prior contract VA255-P-0862 which was awarded per FAR 6.302-1 as a single source to Philips Healthcare commencing on 11/1/2008 and expiring on 10/31/2013 for a total award of \$404,600.00. The expiring contract was solicited and awarded before a GSA contract was established with Philips Healthcare.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

Furnish routine maintenance and emergency repair services for Philips Brilliance CT 40 Channel onsite at the Dwight D. Eisenhower VA Medical Center, Leavenworth KS. Coverage includes all parts, installation, calibration, labor, and travel necessary to bring all listed modalities to manufacturer's operating

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specifications. Contractor will be responsible for full maintenance coverage by providing all replacement parts, labor, travel expenses, tools, test equipment and other incidentals necessary to maintain or restore the listed equipment to operating specifications according to manufacturer's recommendations throughout the term of the contract.

Philips Healthcare Computerized Tomography (CT):
VA ID#589 EE78140,
SN: 13138,
Mdl: Brilliance 40
Site# 540916 and accessories as listed in SOW.

(b) **ESTIMATED DOLLAR VALUE:** \$384,600.00

(c) **REQUIRED DELIVERY DATE:** November 1, 2013

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

- ☒ 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.

Philips Healthcare is uniquely qualified to provide the requested services to Dwight D. Eisenhower VA Medical Center based upon the following:

- a. The proper maintenance, repair, and calibration of the stated CT Scanner and ancillary equipment is extremely critical because equipment that is not properly maintained, tested and calibrated can result in the delivery of misdiagnosis of patient studies that could severely cause harm to the patients served at this Medical Center. Having this equipment operate properly is therefore critical to the health of patients. There is no room for any possible failure of parts, miscalibration or deviation from established maintenance or repair standards. Only factory trained and certified technicians, utilizing diagnostic software specifically designed for the equipment and utilization of Original Equipment Manufacturer (OEM) parts can assure that this critical equipment operates properly.
- b. Philips Healthcare has the legal rights to proprietary equipment diagnostic software. Failure to utilize the proprietary diagnostic software may result in the inability to identify equipment operating parameters and the inability to accurately calibrate the equipment.
- c. Philips Healthcare has access to OEM parts and supplies. Failure to utilize OEM parts may result in the improper operation of the equipment. Other vendors may have access to the required OEM parts, but they do not stock the full range of parts that is required to assure maximum response times required by the VA Medical Center. Only Philips Healthcare maintains a full inventory of spare parts.
- d. Philips Healthcare has factory trained and certified technicians who are specifically qualified to work on Philips Healthcare equipment. Philips Healthcare does not contract with any third party service providers.

- ☒ A patent, copyright or proprietary data limits competition. The proprietary data is: Software.

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

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION: All services that will be purchased on this order have pricing that has been determined fair and reasonable under VA/DoD contract number: V797P-6011B.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED: Market research was conducted online at the GSA eLibrary WEB site for other schedule holders that could provide this service. The results were that there are no other known GSA Contractors that can provide this service.

A Sources Sought notice (VA25513I1690) was published in FBO during the period August 29, 2013 through September 6, 2013 seeking information from vendors who may be capable of providing the required maintenance services. No responses were received from any source.


(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION: N/A

(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:

Unless the manufacture chooses to license its software and authorize local service providers to maintain test and calibrate its equipment sometime in the future. the only alternative that may be available to us is to replace the existing Philips Healthcare brand equipment with a more generic brand that may have a wider installed base and which does not have proprietary software. However, considerations other than sole source must be considered when contemplating replacement, specifically the anticipated remaining life span of the presently installed equipment, need for sufficient budget to acquire replacement capital items, the need to provide the most reliable and best equipment for the price, and the availability of quality maintenance and repair services. Right now, the facility participating in this contract is satisfied with the quality and operation of the installed equipment, its maintenance and repair, and they do not have sufficient budget to replace the equipment systems, probes, and ancillary equipment.

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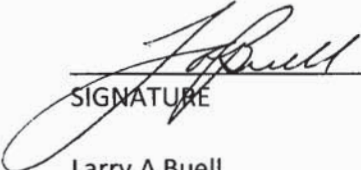
- (9) REQUIREMENTS CERTIFICATION:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. 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.)*


16 October, 2013

SIGNATURE DATE
Carl Campbell, CBET Biomedical Engineering Supervisor Engineering Service
NAME TITLE SERVICE LINE/SECTION
VA EKHCS
FACILITY

(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(d):

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



SIGNATURE DATE
10-16-2013
Larry A Buell
Contracting Officer
NCO 15

- b. NCM/PCM/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



SIGNATURE DATE
10-21-2013
Christine L. Scena
Network Contract Manager
NCO 15