5/2/14.

N23-14-18 – GE Physiological System upgrade (E) KAW

**LIMITED SOURCES JUSTIFICATION**
**ORDER >$3,000**
**FAR PART 8.405-6**

**2237 Transaction # or Vista Equipment Transaction #:** 618-14-2-040-0379

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:** Provide *original manufacturer's* name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, *ALSO* provide dealer information.)

Manufacturer/Contractor: GE Medical Systems Information Technologies
Manufacturer/Contractor POC & phone number: William Elliott 301-874-8631
Mfgr/Contractor Address: 9900 Innovation Drive Wauwatosa, WI 53226
Dealer/Rep address/phone number:

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

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs
NCO 23
4801 Veterans Drive
St. Cloud, MN 56303

**VISN:** 23

**(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:**
Firm fixed price sole source delivery order for a Physiological Monitoring System Upgrade for the Minneapolis VA Healthcare System from GE Medical Systems.

**(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:**
The Minneapolis VA Healthcare System (MVAHCS) is upgrading the Physiological Monitoring System. The upgrades will provide a technology refresh to the software version and hardware of Bedside monitors (Solar 8000) in the ICU/Step Down locations, Pulse oximeter upgrades to select portable (DASH) monitors, transport monitors (Transport Pro), and upgrade of the central monitoring hardware (CIC-PRO) used throughout the facility. In addition, the project shall include installation/improvements of infrastructure, plus clinical and technical training services required.

**(b) ESTIMATED DOLLAR VALUE:** [redacted]
**(c) REQUIRED DELIVERY DATE:** 6/20/2014

**(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.

☐ A patent, copyright or proprietary data limits competition. The proprietary data is:
(If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

☐ 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 current Physiological Monitoring System utilized in the Minneapolis VA Healthcare System is manufactured by GE Medical Systems. This upgrade is for only the ICU portion of the Physiological Monitoring System utilized in the Minneapolis VA Healthcare System. The system is proprietary to the manufacturer GE Medical Systems; all parts and services required for the upgrade are specifically designed to work together and are only compatible with other GE Medical Systems equipment, components and infrastructure.

☐ 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:**
IAW FAR 8.404(d), this is fair and reasonable.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**
The MVAHCS upgraded the GE Medical System for physiological and telemetry monitoring systems in the Surgery and Telemetry areas in 2008 at a cost of ~ $4.8M. The telemetry upgrade replaced end of life components of the system which were installed in 1988. Technology assessments and other planning for a new system have been active for several years at MVAHCS. Much market research was completed to review current vendor products, assess clinical and technical features, and determine budgetary cost of the project. GE Medical Systems, Philips Medical Systems, SpaceLab Monitoring, and several other high-market share manufactures all produce excellent Physiological and Telemetry Monitoring Systems, which would meet the clinical and technical requirements of the Minneapolis VA Healthcare System. However, the project cost and scope is quite different from encumbant vendor vs. competing vendor(s) (i.e., Upgrade vs. Replacement). Each of these manufacturers have designed and developed systems which are configured to optimize reliability and patient safety of acute care patients which require physiological monitoring of vital signs. As a result, Physiological and Telemetry Monitoring Systems are highly-propriety to each unique manufacturer. The systems are comprised of many hardware components, wiring distribution systems, and interfaces. In addition, the systems require much design and planning to properly and safely install. Installation of hardware and infrastructure is nearly 50% of the overall cost of the system. Budgetary upgrade cost of the GE Medical System is $1.8M. Whereas Philips, SpaceLabs, and other vendors have a budgetary replacement cost each in excess of $7M. The GE proposal to upgrade is specifically designed to re-use much of the same infrastructure of the previous system; whereas Philips, SpaceLabs, and other vendors would need to completely tear-out the existing infrastructure and replacement it with thier propriety infrastructure at significantly greater cost to MVAHCS. In addition, an upgrade project can be executed

much more quickly and with less disruption and training to clinical staff. On this bases, MVAHCS executive leadership concurs with the this request to upgrade the current GE Medical System - Physiological and Telemetry Monitoring System.

GSA was searched and it was determined that GE Medical Systems can provide all components of the upgrade through their contract. GE was called to determine if there are any other authorized vendors that can provide the upgrade. GE stated that the only other authorized vendor is Jaken Medical. Jaken Medical was contacted to determine if they can provide the upgrade. They stated that they can provide the upgrade via open market but that most of the items are not available through their GSA contract.

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:** None

**(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:**

Market research will be conducted for future physiological monitoring system upgrades to determine if there are other vendors available that can provide compatible equipment.

**(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.)*

[redacted]

4/22/2014
DATE

Director Biomedical Instrumentation Svc - MVAHCS

**(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.

[redacted]

4/22/14
DATE

Contracting Officer, NCO 23 – St. Cloud

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

[redacted]

4/23/2014
DATE

Directing of Contracting, NCO 23 – St. Cloud

**HIGHER LEVEL APPROVAL (Required *For orders over $650,000*):**

**c. SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

[redacted]

Acting Director, SAO CENTRAL

DATE 1 May 14

**d. VHA HCA REVIEW AND APPROVAL (over $650,000 to $10 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

[redacted]

Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

DATE 5/5/14