

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval
For
Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, VISN 15 Contracting Office 3450 S. 4th Street Trafficway Leavenworth, KS 66048. This Justification for Other Than Full and Open Competition is to procure new service and support for a Cardiology Image Storage System Service / Maintenance contract for the Harry S. Truman Memorial Veteran's Hospital, 800 Hospital Drive, Columbia, MO 65201-5275. Reference 2237: 589-14-3-5686-0143

2. **Nature and/or Description of the Action Being Processed:** Requesting a new service and support contract with Merge Healthcare, Inc., to provide parts and labor for imaging and hemodynamic equipment located at the Harry S. Truman Memorial Veteran's Hospital, using authority in FAR 6.302-1, with sole source vendor Merge Healthcare, Inc., 900 Walnut Ridge Drive, Hartland, WI 53029. Tel#: 262-367-0700 Attn: Ms. Theresa Krueger. A firm-fixed price contract is contemplated for a base period of one year plus four, one year option periods. The base year is expected to begin June 01, 2014 through May 31, 2015. The estimated base year price is \$81,058.40 and the total for the base year plus four option years is \$405,292.00.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The Government's needs may be met by purchasing services of the type which is customarily available in the commercial marketplace and other facilities. The contractor is responsible to provide full maintenance remote and on site, to include software license, all replacement parts, to maintain or restore the equipment listed in the Statement of Work, and accessories to operating specifications which meet or exceed the manufacturers' specifications at the Harry S. Truman Memorial Veteran's Hospital. All services for this contract must meet manufacturers' performance and technical specifications, Federal Regulations, FDA device certification and other specifications that may apply such as National Electric Code (NEC), Life Safety Code (LSC), the Joint Commission (JC), and VA Regulations. Also, Contractor must provide the appropriate service documentation at no additional expense. Contractor shall provide hardcopy proof, upon request by COR, that contracting entity is a certified manufacturer service provider and that technicians are current in device certification training.

4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC §253(c),(1) as implemented by FAR 6.302.

- (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- (2) Unusual and Compelling Urgency per FAR 6.302-2;
- (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
- (4) International Agreement per FAR 6.302-4
- (5) Authorized or Required by Statute FAR 6.302-5;
- (6) National Security per FAR 6.302-6;
- (7) Public Interest per FAR 6.302-7;

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority): Only One Responsible Source (FAR 6.302-1) – This is a follow-on contract for continued maintenance and service of Merge Healthcare Cardiology Imaging and Hemodynamic Imaging System located at Harry S. Truman Memorial Veteran's Hospital. This system is highly specialized equipment; an award to any other source would result in a substantial duplication of cost to the Government that is not expected to be recovered through competition. Merge Healthcare is the manufacturer and sole provider of the Cardiology Image Storage System which uses proprietary software and OEM hardware. Merge Healthcare is certified to service this system with unlimited access to proprietary diagnostic software. The specific covered items are outlined in the accompanying Statement of Work as well as Merge Healthcare quote# SA-10586.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: This equipment requires proprietary software that is not accessible to third party contractors. Additionally, Merge Healthcare, Inc. has trained and certified Field Service Personnel who have unrestricted access to proprietary system diagnostic software. In accordance with FAR Part 5, this requirement will be synopsisized indicating the Government's intent to negotiate sole source with Merge Healthcare, Inc. Intent to sole source notice was published on FBO which yielded no responses. Also, Market Research was conducted using GSA eBuy, Small Business Dynamic Search, SAM and FPDS. No results were found.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable: The nature of this service is non-competitive and as such the only basis to determine fair and reasonable price is past history. The contracting officer, after review and consultation with appropriate technical personnel, will ensure that the price paid for support and repair services on the Cardiology Image Storage System supported by Merge Healthcare is fair and reasonable. Award will be made on the basis of price and past performance. Negotiation of reasonable price for services will be documented for the contract file. In accordance with FAR 15.403-1, this is a commercial service and cost and pricing data is not required.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted: In accordance with FAR Part 10.002, market research was conducted to identify any other potential sources for the above mentioned requested items and services. Market research was conducted with current award, previous awards, a search of other VISN contracts within the VHA and other agency contracts available on the Federal Business Opportunities (FBO) website. In addition, a search of the VetBiz.gov website yielded no results, nor did an SBA Dynamic Small Business Search or a general internet search. All of the contracts for maintenance (both VHA and other agency) on this type of Merge Healthcare equipment were procured using the authority in FAR 6.302-1. Intent to sole source notice was published on FBO and yielded no results. The market research substantiates the requesters claim that Merge Healthcare Inc. is the only contractor that can perform this work due to the propriety nature of the software and hardware that must be utilized in performance this contract.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

Merge Healthcare, Inc. is acknowledged for its experience with the Harry S. Truman Memorial Veteran's Hospital.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

No other firms have expressed an interest in this acquisition. See section 6 above.

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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:

This is unique technology. The manufacturer has specified the hardware and software support is proprietary. Based on a sources sought notice posted, no other firms have expressed an interest in this acquisition.

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.



DOUGLAS WEABLE

5-9-14

Date

Title: BIOMEDICAL EQUIPMENT SUPPORT SPECIALIST
COLUMBIA VAMC

13. Approvals in accordance with FAR 6.304

a. Contracting Officer's Certification: (required) I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

WAYNE HENTHORNE
CONTRACTING OFFICER
VISN 15

Date

b. NCM/PCM: I certify the justification meets requirements for other than full and open competition.

Name _____
CHRISTINE L. SCENA
NETWORK CONTRACT MANAGER
NETWORK 15 CONTRACTING OFFICE

Date