

**LIMITED SOURCES JUSTIFICATION****ORDER >\$3,000****FAR PART 8.405-6****\*\*****2237 Transaction # or Vista Equipment Transaction #: 672-14-1-103-0010**

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.

Manufacturer/Contractor: PHILIPS MEDICAL SYSTEMS, FSS # V797P-2238D

(787)758-1518, (787)751-3420 fax

200 WINSTON CHURCHIL AVE. SUITE 302, EL SEÑORIAL, SAN JUAN PR 00926

Dealer/Rep address/phone number: JUAN MATOS, email juan.matos@Philips.com

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

**(1) AGENCY AND CONTRACTING ACTIVITY:****Department of Veterans Affairs**

VA Caribbean Healthcare System

10 Calle Casia

San Juan, Puerto Rico 00921-3201

VISN:

8

**(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:**

This request is for other than full and open competition for the procurement of an IntelliVue Telemetry System from Philips Medical Systems to interface with existing Original Equipment Manufacturer (OEM) Philips IntelliVue telemetry equipment and will be used to monitor all patients in the Intensive Surgical Care Unit (ISCU). This action will be awarded as a new firm-fixed-price Delivery order.

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

The Philips Telemetry System is essential for monitoring 100% of the patients in ISCU, since they are all intervened by cardiothoracic surgery and almost 100% of them are postsurgical cardiac patients. Philips will furnish the entire system (to include but not limited to the transmitters, databases, computer stations, and all network components), it's installation and complete integration with the existing Philips telemetry of the hospital, to keep all systems running the same software version L.00.25.

**(b) ESTIMATED DOLLAR VALUE: \$ 66,977.98****(c) REQUIRED DELIVERY DATE: 05/30/2014****(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.

The ISCU population is comprised by postsurgical cardiac patients, who have multiple comorbidities and postoperative events, which need continuous and efficacious monitoring. For example, they develop arrhythmias, which are life threatening and require immediate action by the medical staff. About 100% of the patients admitted to ISCU are postoperative cardiac patients, who are in need of constant, 24 hours-7 days a week telemetry monitoring.

The IntelliVue System is a user friendly system, which does not require computer expertise and is convenient for all levels of ISCU staff, with the appropriate training. It also allows for up to 96 hours of data review, which allows for retrospective analysis of clinical monitored events by different subspecialties following the patients. It will allow for the expansion of the hospital's existing telemetry monitoring system located at the South Bed Tower (inpatient facility) to cover additional areas and replace older existing standalone systems in the ISCU which are approximately 400 feet away and are not compatible with the current newer networked telemetry system located at the South Bed Tower. All workstations, databases and servers will be integrated to run on the same network and relay information to an overarching VACHS Hospital Information Systems (HIS), see Philips Telemetry System layout.

Philips is the original manufacturer of the telemetry equipment currently at the hospital. Only Philips telemetry systems can be integrated with the existing telemetry system (Reference attached OEM letter from Philips submitted by Angel Martinez dated April 23, 2014).

- ☐ A patent, copyright or proprietary data limits competition. The proprietary data is:
- ☐ 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:**

Price is determined to be fair and reasonable by reviewing pricing from past procurements and through market research of Federal Procurement Data System, which indicates some of the items were purchased from Philips for other VA facilities. NCO-7 placed order, #VA-247-14-F-1536 for \$68,908.46 in April, 2014 and NCO-4 placed order, #VA-244-12-J-3294 for \$77,923.00. Therefore, IAW FAR 13.106-3(a) the estimated cost is deemed 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:**

Market research showed Glomax, Inc. is a Small Disabled Veteran Owned Business under SIN A-50A Vital Sign Monitors and is an authorized small business distributor for Philips Healthcare. However, Glomax does not have a service organization to do any services for Phillips systems (Reference email from Phillips District Manager dated May 28th, 2014). Philips is the proprietor for the existing telemetry system (Reference OEM letter). Philips can provide all the parts required, provide the repairs, certify performance, update software to the system and they hold the passwords and service keys. The OEM is the only one that can certify the system for proper functioning in order to grant warranties. However, if the OEM finds any type of modifications or refurbished parts not OEM then warranties will be voided. No additional market research was performed as the existing system is proprietary and the new systems will need to be integrated with the existing Philips IntelliVue TX brand.


**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

The existing system (Philips IntelliVue TX) applications are monitored by dedicated personnel 24/7. Mixing different brand of applications for critical monitoring could result in a threat to health, welfare and/or safety to the patients. It could also decrease the ability to provide preventive and early alerts of heart arrhythmias of our patients while increasing operational costs to the Government as the staff will be working on two different systems with different modes of operation".

**(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:**

Future requirements to replace subject equipment after its useful life will be pursued utilizing competitive procedures.

**(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.)*

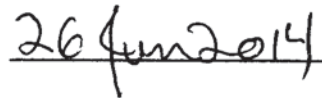
SIGNATURE:  A. Arcila, MD. DATE: 6/25/2014.  
NAME: ADRIANA ARCILA  
TITLE: PHYSICIAN SURGICAL SERVICE  
SERVICE LINE/SECTION: VA CARIBBEAN HEALTHCARE SYSTEM SAN JUAN PUERTO RICO FACILITY

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

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

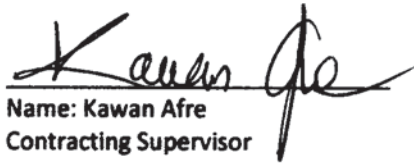


Name: Ronald D. Music  
Title: Contracting Officer  
Facility: James A. Haley VA Hospital (JAHVAH)



Date

**b. PRODUCT LINE SUPERVISOR (up to SAT):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



Name: Kawan Afre  
Contracting Supervisor  
Facility: James A. Haley VA Hospital (JAHVAH)



Date