

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, NC04, VA Pittsburgh Healthcare System, 1010 Delafield Road, Pittsburgh , PA 15215. Purchase Request (2237# 646-15-1-066-0010)

2. **Nature and/or Description of the Action Being Processed:**

Only One Responsible Source (Sole Source) Award, to Hansen Medical, Inc. 800 East Middlefield Road, Mountain View, CA 94043. This is for the award of a new Firm Fixed Price Contract.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:**

The VA Pittsburgh Healthcare System (VAPHS), University Drive Facility, requires a one-year annual maintenance services contract for the VAPHS Hansen Medical Sensei Robotic Equipment, with two one-time repairs (replace Bedslide Equipment Module and replace Network Module).

Estimated Price \$92,000 (\$80,000 for the one-year maintenance services, and \$12,000 for two different repairs.

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

- (X) (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):

The VA Pittsburgh Healthcare System (VA) has to have Hansen Medical, Inc. perform the above referenced annual maintenance services and one-time repairs on their existing Hansen Medical Sensei Robotic Equipment, for the following reasons:

Hansen Medical, Inc., is the sole exclusive seller of their parts, and the only company that can install them as part of repairs, and the only company that can provide the annual maintenance, on their Sensei Robotic equipment, due to the Software being password protected, and only Hansen Medical employees are authorized to install or upgrade any software or hardware on the Sensei Robotic System.

Accordingly, Hansen Medical, Inc. is the only firm capable of providing the parts and services described in Section 3 above, without the Veteran's Health Administration experiencing substantial duplication of cost that could not be expected to be recovered through competition and unacceptable delays in fulfilling its requirements.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: N/A – Sole Source. However, a notice of this proposed action (Notice of Intent to Sole Source Synopsis, along with this Justification Memorandum, will be posted to Fedbizopps for 3-5 days, before award is made to Hansen Medical, Inc.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

The \$92,000 price Hansen Medical is charging for these services is considered fair and reasonable, since the VA Tucson, AZ Facility paid \$109,000 for a similar annual maintenance contract (VA Contract# VA258-P-0309), which also covered the cost for any and all similar repairs as well. (See copy of VA Tucson, AZ Contract and Purchase Order; VA OLCS SIS Payment System Query, showing 4 payments of \$27,250 each, made under the VA Tucson AZ Contract, and emails from the VA Tucson, AZ Contracting Officer and Hansen Medical, stating that the VA Tucson AZ Contract included Hansen's Terms and Conditions of sale that covered this same type of maintenance Upgrade, in the Contract File)

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

Hansen Medical provides these maintenance and repair services to the private sector, and therefore, they are deemed commercial services.

Queries were done by conducting a Google Search and GSA Advantage Search, using the words "Hansen Medical Sensei", and no results were found.

Email statements were obtained from Hansen Medical, Inc., confirming they are the Sole Seller and Installer of their Software and Hardware, and only company that can do the preventative maintenance.

The NAICS Code and Small Business Size Standard for this Procurement is 334517 (Size

Standard 500 Employees). An email statement was obtained from Hansen Medical, Inc., confirming they have less than 500 employees, and therefore are considered a Small Business for the NAICS Code 334517, that is applicable to this acquisition.

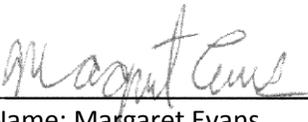
9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

No other vendor will have the correct software for the maintenance, since it is proprietary equipment.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: None

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: None

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.



Name: Margaret Evans
Title: Biomedical Engineer
Facility: University Drive

8/1/2014
Date

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.

Name: Ronald Mazzei
Title: Contract Specialist
Facility: HJ Heinz Facility

Date

b. **Deputy Director for Contracting, NC04 (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.

Name: Herbert Byrns
Deputy Director for Contracting,
NC04

Date