

LIMITED SOURCES JUSTIFICATION

ORDER greater than \$3,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #:636-15-1-4045-0019

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: SIEMENS MEDICAL SOLUTIONS

Manufacturer/Contractor POC & phone number: Terry Dover 800-888-7436

Mfgr/Contractor Address: 51 Valley Stream Parkway, Bldg2, 4th Floor, Malvern, PA 19355

Dealer/Rep address/phone number: Terry Dover (919) 439-0018

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Contracting Agency:

Department of Veterans Affairs
Network 23 Contracting Office (90c)
2011 West 26th St Rm 103
Sioux Falls, SD 57105-1305

Agency receiving services:

Iowa City VA Medical Center
601 HIGHWAY 6 W
Iowa City, IA 52246-2209

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

A task order will be awarded on a sole source basis for the procurement of; Maintenance Service as specified below; This service requirement will establish a service agreement utilized for annual maintenance/service and emergency repairs, including parts and labor for Siemens Medical Solutions brand equipment. The proposed action is to provide annual scheduled and unscheduled services, software updates and upgrades and replacement parts for scheduled/unscheduled services.

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

A task order will be awarded on a sole source basis for the procurement of;

This service requirement will establish a service agreement utilized for annual maintenance/service and emergency repairs, including parts and labor for a Siemens Medical Solutions brand Sequoia Ultrasound System.

(b) ESTIMATED DOLLAR VALUE: \$ Estimated Cost for the base year is \$12,320.00 as well as for each of the four option years. Base plus four option year anticipated aggregated cost: \$61,600.00

(c) REQUIRED DELIVERY DATE: 10/01/2014

(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:
Software and maintenance processes used to service the Siemens Medical Solutions brand machines are proprietary. Siemens is the only vendor that can provide software updates and upgrades for the Siemens Medical Solutions brand equipment identified above. Therefore, Siemens Medical Solutions is the only vendor capable of performing this service.

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:

Per FAR 8.404(d) Pricing – Use of Federal Supply Schedules, the VA NAC has already determined pricing to be fair and reasonable. Siemens Medical Solutions is the only company authorized to provide maintenance services and replacement parts for their equipment. All repair parts and operational software must be 100% compatible regarding form, fit and function with existing equipment. Inferior replacement parts could compromise the integrity of the system and subsequently threaten the lives of patients at the Veterans Administration. All software upgrades and updates are proprietary to Siemens Medical Solutions. Pricing is per the new NAC Contract V797P-6029B. Only Siemens has the proprietary software, upgrades and licenses accessible for off-site

troubleshooting through a VA National Site to Site VPN connection. These connections must be approved by national ISO's and the companies trying to make these connections must have certain levels of security clearance. There are also proprietary software keys used for troubleshooting that are accessible to Siemens Medical Solutions personnel only. Siemens does not sub-contract maintenance service for the items listed in the statement of work.

(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 indicates that Siemens Medical Solutions is the only vendor capable of performing maintenance for the Siemens brand Sequoia model of Ultrasound System. Repair and maintenance service providers selling similar services do not have access to proprietary information (software, passcodes, maintenance processes and internal parts) required to service the Siemens brand medical equipment.

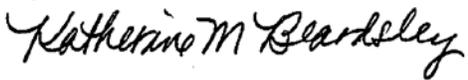
(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Delegation order number assigned for use in purchasing from the NAC Contract authorized via Mr. Steven Thomas, Director of the National Contract Service. Delegation order number V797P-6029B-V086 is assigned to this procurement.

(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:

No actions to overcome barriers may be taken since the software and equipment are proprietary to Siemens Medical Solutions and the VA NAC has delegation authority over the contract.

(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.)*



09/23/2014

Katherine Beardsley
SUPERVISORY BIOMEDICAL ENGINEER
DEPARTMENT OF VETERANS AFFAIRS
VISN 23, 636 MEDICAL CENTER
IOWA CITY VETERANS ADMINISTRATION
IOWA CITY, IA

(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.

Scott Morrison, Contract Specialist
Network 23 Contracting Office
Sioux Falls, SD

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 of this justification.

Lori A. Fischer
Product Line Contract Manager, NCO 23
Sioux Falls, SD