

8/20/14

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 618-14-3-040-1074

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

Mfr/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

23

VISN:

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

Firm fixed price sole source delivery order for Emergency Department (ED) and Outpatient Surgery Center (OSC) Physiological Monitoring System expansion/upgrade off GE Medical Systems VA FSS contract 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 and expanding the ED & OSC portion of their Physiological Monitoring System. The system will provide additional Bedside monitors (8650) with compatible software version and hardware for the outpatient surgery center locations, and expanded the existing bedside monitors (8850) in the Emergency Dept from 9 units to the 24 units needed for the planned renovations. In addition, the project shall include installation/improvements of infrastructure, plus modest clinical and technical training services required.

(b) ESTIMATED DOLLAR VALUE: [REDACTED]

(c) REQUIRED DELIVERY DATE: to be negotiated with vendor (See Para. 6)

(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)ii 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 expansion/upgrade is for the ED & OSC portion of the Physiological Monitoring 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. The telemetry upgrades 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. 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 manufacturers all produce excellent Physiological and Telemetry Monitoring Systems, which would meet the clinical and technical requirements of the Minneapolis VA Health Care System. However, the project cost and scope is quite different from incumbent 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-proprietary 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 cost to expand the GE System in the QPS and ED locations is \$1.695M... whereas Philips, SpaceLabs, and other vendors have a budgetary replacement cost each in excess of \$4M. 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 their proprietary 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 basis, MVAHCS executive leadership concurs with 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 VA FSS 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 can only provide the upgrade via open market.

The manufacturer's (GE) lead time is approximately 4-5 months. There is a related construction project that has been started and it's anticipated that the Government will have beneficial occupancy around Christmas which coincides with the manufacturer's lead time. There are also no known Government caused delays that would prevent delivery and installation.

(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 Signature]

8/13/2014
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 Signature]

8/14/14
DATE

Contracting Officer, NCO 23 - St. Cloud

c. 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 Signature]

8/14/14
DATE

Director of Contracting, NCO/23 - St. Cloud

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

e. 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 Signature]

DATE

19 Aug 14

Acting Director, SAO CENTRAL

f. VHA HCA REVIEW AND APPROVAL (over \$550,000 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


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

DATE

8/21/14