

**DEPARTMENT OF VETERANS AFFAIRS**

**Justification and Approval  
For  
Other Than Full and Open Competition**

1. **Contracting Activity:** Department of Veterans Affairs, VISN 15, Wichita VA Medical Center, 5500 E. Kellogg, Wichita, KS 67218. 2237 Number 589-14
2. **Nature and/or Description of the Action Being Processed:** The Wichita VA Medical Center requests a new contract for Centricity PACS software support.

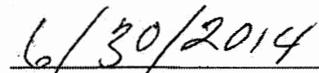
Length of Contract: Base Year plus Two (2) Option Years  
Period of Performance: 10/1/2014—9/30/2015, ultimate expiration date 9/30/2017  
Approximate Total Cost \$119,672.53

The service is currently being provided under contract number VA255-13-P-4604. Previous awards included VA255-12-C-0323.

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. This solicitation and resulting contract will be to provide software support to the Centricity PACS software located the Wichita VA Medical Center. Support includes ongoing software updates, enhancement releases, major or minor, including product feature and/or functionality modifications, maintenance releases including error corrections and modifications, to improve product reliability throughout the term of the contract.
4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC §253(c)(1), as implemented by FAR 6.302-1.  
 (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). GE Healthcare is the manufacturer and only qualified contractor to perform support of this unique technology, which provides clinicians with online access to patient care and clinical data. GE has proprietary rights to PACS software, making it the only contractor that can perform this work.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Due to the proprietary nature of the software, there is no other potential source qualified or certified to perform maintenance on this system. A notice of intent to use other than full and open competition will be published at [www.FBO.gov](http://www.FBO.gov) as required by FAR Subpart 5.2.
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. Pricing will be compared to the pricing for the same service in VA255-13-P-4604 and VA255-12-C-0323. 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 10.002, market research was conducted to identify any other sources for this maintenance requirement. Market research included an Internet search and a search of GSA and VA Federal Supply Schedule contracts. No schedule contracts for maintenance services for Centricity PACS software support were identified. Also, a search of the Federal Business Opportunities (FBO) website was conducted. Solicitation notices posted by the VA and other agencies purchasing these services have been found on FBO and they were all issued under the authority of FAR Part 6.302-1.A proprietary statement was obtained from GE Healthcare that only GE support engineers have access to software updates. The market research substantiates that GE Healthcare is the only contractor that can perform this work due to the propriety nature of the software that must be utilized in performance this contract.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** n/a
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** n/a
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:**  
The manufacturer has specified the software support is proprietary. Market research will be conducted prior to future acquisitions to determine if market conditions have changed allowing other contractors to provide service and maintenance to this equipment.
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.

  
 GREGORY S. MITCHELL  
 SUPERVISOR, BIOMEDICAL SUPPORT SPECIALIST  
 WICHITA VA MEDICAL CENTER

  
 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.

\_\_\_\_\_  
MICHELLE AVERY  
CONTRACTING OFFICER  
NETWORK CONTRACTING OFFICE 15

\_\_\_\_\_  
Date

- b. **NCM/PCM (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.

\_\_\_\_\_  
CHRISTINE L. SCENA  
DIRECTOR OF CONTRACTING  
NETWORK CONTRACTING OFFICE 15

\_\_\_\_\_  
Date

## Market Research Report

### PACS Software Support for GE equipment– Wichita VAMC

**1. Objective:**

Per FAR 10.001, this report is in support of a new requirement that can be met by a type of item or service customarily available in the commercial marketplace that would meet the definition of a commercial item at Subpart 2.1. Therefore, the policies and procedures in Part 12 will be utilized for solicitation and award. The assigned NAICS code is 811219, Other Electronic and Precision Equipment Repair and Maintenance with a size standard of \$19 million. The assigned PSC code is J065, Maintenance, Repair and Rebuilding of Equipment –Medical, Dental, and Veterinary Equipment and Supplies. A firm fixed price contract vehicle will be used for a base year plus two (2) option years.

**2. Background:** The Wichita Facilities Management Service Team submitted a purchase request, 589-15-1-4731-0001 for Centricity PACS software support for GE equipment. The contractor is required to provide software support to the GE Centricity PACS software located the Wichita VA Medical Center. Support includes ongoing software updates, enhancement releases, major or minor, including product feature and/or functionality modifications, maintenance releases including error corrections and modifications, to improve product reliability throughout the term of the contract.

**3. Market Research Sources:** - A similar requirement was procured for Wichita in October 2013. That solicitation was a sole-source to General Electric, dba GE, resulting in purchase order VA255-13-P-4604. IAW FAR 10.002(b)(1) market research conducted within 18 months can be used if the information is still current, accurate, and relevant.

**4. Market Research Findings:** GE provided a proprietary statement dated 6/24/14 (attached) that GE retains proprietary rights to all software, including updates and releases. Searches were made of GSA, Vetbiz, SBA and the Internet and support that only GE can provide these services due the proprietary nature of the software. A search of FBO and FPDS revealed other VA and government agency sole source procurements for this type of PACS support. Prior market research and acquisition history for the same service at the Wichita VA within the last 18 months also supports the conclusion that this service can only be obtained by GE.

**5. Customary Commercial Terms and Conditions:** FAR Part 12 policies and procedures will be used as the service requested meets the definition of a commercial item.

**6. Market Price:** The Independent Government Estimate is \$38,336.88 for the base year and \$119,672.53 total for the base plus two (2) option years.

**7. Acquisition History:** The price paid on VA255-13-P-4604, dated 10/1/13, for similar services was \$38,218.00 for one year.

**8. Other pertinent information:** N/A

9. **Recommendations:** Based on the findings of the market research and prior acquisition history, I recommend a sole source procurement from GE upon approval of a Justification and Approval for Other Than Full and Open Competition and 2268 approval for procurement from a large business. The procurement vehicle will be a Firm Fixed-Price purchase order with two option years.

**Prepared by:**

Name: *Michelle Avery*

Date: 8/1/14



GE Healthcare

June 24, 2014

Attention:  
Michelle Avery  
Contract Specialist  
Department of Veterans Affairs  
NCO 15 Contracting  
Re: Centricity PACS and Centricity RA600 Support Points

GE Healthcare support agreements provide for ongoing software updates, enhancement releases, major or minor, include product feature and/or functionality modifications, maintenance releases include error corrections and modifications to improve product reliability. Upgrading to the latest approved releases is critical to maintaining the highest quality support as well as helping the customer to maintain the highest-level return on their investment.

At this time, only GE Healthcare support engineers have access to the enhancement releases as well as applicable work instruction to apply releases.

Additionally, GE Healthcare support agreements for Centricity PACS provide for proactive monitoring via our enhanced Active System Management tools, providing 24x7 continuous monitoring of system software in an effort to prevent or detect errors. All support agreements are subject to the terms of GE Healthcare's support policies.

Sincerely,

**Fred D.**

**Warren III**

Digitally signed by Fred D.  
Warren III  
DN: cn=Fred D. Warren III, o=GE  
HCIT, ou,  
email=fred.warren@ge.com,  
c=US  
Date: 2014.06.24 07:41:00 -05'00'