

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

2237 Transaction # or Vista Equipment Transaction #: [REDACTED]

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 [REDACTED] 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: Siemens Medical Solutions USA, Inc. 51 Valley Stream Parkway, Bldg # 2-4 Floor Government Accounts, Malvern, PA 19355

Manufacturer/Contractor POC & phone number: Doug Weatherspoon, (919) 468-7457

Mfgr/Contractor Address: Siemens Medical Solutions USA, Inc. 51 Valley Stream Parkway, Bldg # 2-4 Floor Government Accounts, Malvern, PA 19355

Dealer/Rep address/phone number: Siemens Medical Solutions USA, Inc. 110 MacAlyson Ct., Cary NC 27511-6496, (919) 468-7457

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs  
VHA, SAO EAST, NCO 7, CHARLESTON  
RALPH H. JOHNSON VAMC  
109 BEE STREET  
CHARLESTON, SC 29401  
07

VISN:

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

Request for approval of [REDACTED] firm fixed price maintenance service and software upgrade task order under VA Mandatory Use VA NAC Contract: V797P-6029B for full service coverage; including all parts and labor on the on-site (since at least 2006), Siemens Nuclear Medicine Cameras including, Symbia S, serial number [REDACTED] and Symbia S, serial number [REDACTED] and limited service on MRI Units: Magnetom Avanto, serial number [REDACTED] and Magnetom Verio, serial number [REDACTED]

[REDACTED] The anticipated period of performance is October 1, 2014 – September 30, 2015 with zero options.

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

The Ralph H. Johnson VA Medical Center (RHJVAMC) has been using the proprietary, Siemens Nuclear Medicine Cameras and MRI Units and associated maintenance services since at least 2006. Maintenance services, including emergency repair, preventative maintenance and all parts, labor, tools, and test equipment are required for full service on the Siemens Nuclear Medicine Cameras and limited service on the MRI Units. These maintenance services are exclusively provided by Siemens for its proprietary equipment under VA Mandatory Use VA NAC Contract: V797P-6029B. Siemens is the only source that can remote monitor condition changes of the equipment and alert RHJVAMC staff of corrective actions

without loss of patient care time. Siemens is the only source of advanced diagnostic software access used to maintain the systems with passwords and special tools being provided exclusively by Siemens.

(b) ESTIMATED DOLLAR VALUE: [REDACTED]

(c) REQUIRED DELIVERY DATE: 9/30/2015

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 27.105-6) AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE. (CHECK ALL THAT APPLY AND COMPLETE)

☒ 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.

In accordance with [REDACTED] there is only one source capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized. Siemens is uniquely capable of performing this requirement because Siemens exclusively performs the highly specialized, maintenance services on its proprietary, Siemens Nuclear Cameras and MRI Units which have been on-site at the RHJVAMC since at least 2006. Siemens solely and exclusively manufactures, installs and supports this Siemens Equipment. Siemens does not release its software to any third party vendors, thus is the only source of the advanced service software necessary to expedite the support services required to maintain this equipment and decrease any impact to patient care from extended system down time. Siemens provides 24/7 remote monitoring of health of the system as well as 24/7 telephone technical support and parts ordering. This service greatly increases up time of the system for patient care and reduces the need for fee base of patients by early notification of service issues. Siemens is the only source that can remote monitor condition changes of the equipment and alert RHJVAMC staff of corrective actions without loss of patient care time. Siemens is the only source of advanced diagnostic software access used to maintain the systems with passwords and special tools being provided exclusively by Siemens. Siemens provided a letter, dated September 8, 2014 stating that Siemens is the sole manufacturer of the Siemens Equipment and manufacturers and sells quality parts specifically for use in the maintenance of these systems. Only Siemens' service technicians have access to the highest level of proprietary diagnostic software and other tools used in the maintenance of this Siemens' Equipment. Only Siemens can provide the proprietary software updates and upgrades for this Siemens' Equipment, no other software has been validated for these systems. Because Siemens is the sole and exclusive provider of these services on its proprietary equipment, it is uniquely qualified to perform under this requirement. Thus, Siemens is the only company capable of providing the requested supplies and services 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 meeting patient care requirements.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is:

Siemens is uniquely capable of performing this requirement because Siemens exclusively performs the highly specialized, maintenance services on its proprietary, Siemens Nuclear Cameras and MRI Units which have been on-site at the RHJVAMC since at least 2006. Siemens solely and exclusively manufactures, installs and supports this Siemens Equipment. Siemens does not release its software to

any third party vendors, thus is the only source of the advanced service software necessary to expedite the support services required to maintain this equipment and decrease any impact to patient care from extended system down time. Siemens is the only source that can remote monitor condition changes of the equipment and alert RHJVAMC staff of corrective actions without loss of patient care time. Siemens is the only source of advanced diagnostic software access used to maintain the systems with passwords and special tools being provided exclusively by Siemens. Siemens provided a letter stating that Siemens is the sole manufacturer of the Siemens Equipment and manufacturers and sells quality parts specifically for use in the maintenance of these systems. Only Siemens' service technicians have access to the highest level of proprietary diagnostic software and other tools used in the maintenance of this Siemens' Equipment. Only Siemens can provide the proprietary software updates and upgrades for this Siemens' Equipment, no other software has been validated for these systems. Because Siemens is the sole and exclusive provider of these services on its proprietary equipment, it is uniquely qualified to perform under this requirement.

☐ 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.

Maintenance services on Siemens proprietary equipment is provided solely and exclusively by Siemens. A Delegation Letter from the VA NAC delegating ordering authority against contract SPM2D1-09-8314 has been granted on a one-time basis for this order of medical equipment imaging maintenance services. Siemens is the sole and exclusive source to provide the required maintenance service, advanced software updates, monitoring, and repairs on this Siemens equipment, which has been on-site at the RHJVAMC, since at least 2006. Siemens provided a letter stating that Siemens is the sole manufacturer of the Siemens Equipment and manufacturers and sells quality parts specifically for use in the maintenance of these systems. Only Siemens' service technicians have access to the highest level of proprietary diagnostic software and other tools used in the maintenance of this Siemens' Equipment. Only Siemens can provide the proprietary software updates and upgrades for this Siemens' Equipment, no other software has been validated for these systems. Siemens is the only company with the compatible tools, software, licenses, parts and knowledge to perform the required maintenance services, including emergency repair, preventative maintenance, system monitoring, and all parts, labor, tools, and test equipment.

☐ 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 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

The pricing is comparable to previous purchases [REDACTED] for maintenance service requirements on this proprietary Siemens Equipment. The pricing for this annual service and maintenance requirement is direct from the manufacturer, Siemens, and is identical to the prices available under Siemen's VA Mandatory Use VA NAC Contract V797P-6029B, and are less than those provided for in the IGCE. In [REDACTED] has already determined the prices available for these services on [REDACTED] V797P-6029B to be fair and reasonable. By placing an order against a schedule contract using the procedures in [REDACTED] it is concluded that the order represents the best value and results in the lowest overall cost alternative to meet the Government's needs.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**

GSA Advantage/e-Buy and the VA NAC Med/Surg catalog were used to determine sellers of Siemens maintenance services and it has been determined that Siemens is the only company capable of providing these services. Siemens provided a letter stating that Siemen's is the sole manufacturer of the Siemens Equipment and manufacturers and sells quality parts specifically for use in the maintenance of these systems. Only Siemens' service technicians have access to the highest level of proprietary diagnostic software and other tools used in the maintenance of this Siemens' Equipment. Only Siemens can provide the proprietary software updates and upgrades for this Siemens' Equipment, no other software has been validated for these systems. Market research has demonstrated that the only source for providing services on this specialized, proprietary equipment is the manufacturer, Siemens.

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

Siemens is the sole and exclusive company capable of performing maintenance services, including software upgrades on Siemens Equipment, including the proprietary, Siemens Medical Nuclear Cameras and MRI Units which have been on-site at the RHJVAMC since at least 2006. Siemens provided a letter stating that Siemen's is the sole manufacturer of the Siemens Equipment and manufacturers and sells quality parts specifically for use in the maintenance of these systems. Only Siemens' service technicians have access to the highest level of proprietary diagnostic software and other tools used in the maintenance of this Siemens' Equipment. Only Siemens can provide the proprietary software updates and upgrades for this Siemens' Equipment, no other software has been validated for these systems.

**(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:**

The RHJVAMC will continue to look for new sources and investigate if any other companies are authorized to service Siemens 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.)

*Louie Flores* 9/10/14  
SIGNATURE DATE  
Louie Flores Biomedical Engineer Biomedical Engineering Services  
NAME TITLE SERVICE LINE/SECTION  
Ralph H. Johnson VA Medical Center (Charleston, SC)  
FACILITY

(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.

*DDT*  
*NCO 7 QA*  
*9/10/14*  
*David W. Decker* 9-10-2014  
CONTRACTING OFFICER'S SIGNATURE DATE  
David W. Decker NCO 7, Charleston Site Team  
Contracting Officer FACILITY

c. **NCM/PCM/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

*Calvin Thomas Jr.* 9/10/14  
SIGNATURE DATE  
Calvin Thomas Jr. D, D.O.C N07  
*Prudence Y. Howard*  
Director of Contracting, NCO 7