

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, NCO 12, 695 Milwaukee Medical Center Department of Veterans Affairs, Great Lakes Acquisition Center, South 84th Street, Bldg. 115, Suite 101, Milwaukee, WI 53214.

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

This justification and approval is for a new firm-fixed price base and 4 option years contract for 24-hour telephone support and field-service for two CareStream DRX-Revolution mobile portable x-ray units located at Veterans Administration Medical Center, Tomah, Wisconsin.

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

The contractor will provide repair service, which consist of calibration, cleaning, oiling, adjusting, replacing parts, and maintaining the equipment, including all intervening calls necessary between regular services and calibrations. All required parts, tools, manuals, software, etc. required to maintain the equipment in top operating condition shall be furnished by the contractor. Preventive Maintenance services shall include, but need not be limited to, the following:

1. Cleaning of equipment.
2. Reviewing operating system software diagnostics to ensure that the system is operating to the manufacturer's specifications.
3. Calibrating and lubricating the equipment.
4. Performing remedial maintenance of non-emergent nature.
5. Testing and replacing faulty and worn parts and/or parts which are likely to become faulty, fail or become worn.
6. Measuring and adjusting and calibrating as necessary for optimal performance, output or image quality.
7. Inspecting electrical wiring and cables for wear and fraying.

The estimated dollar value is \$261,509.94. It will be a firm-fixed price contract for a base plus four option years with a period of performance from [REDACTED]

[REDACTED]	
Total	\$ 261,509.94

4. Statutory Authority Permitting Other than Full and Open Competition:

- (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 proposed source is Carestream Health Inc., 150 Verona Street Rochester, NY 14608-1733. Based on market research, it was determined that only Carestream Health Inc. can meet the existing Veterans Affairs' requirement. Accordingly, Carestream Health Inc. is the original equipment manufacturer and the only authorized contractor who is capable of providing the services described in Section III. Carestream Health Inc. will provide manufactured parts and labor necessary to service and maintain the equipment according to Carestream Health's published operating specifications. Only Carestream Health can install the modification in the equipment as soon as practical due it being proprietary and perform preventative maintenance requirements include software updates that only the Carestream Health has access to. Therefore, no other vendor can adequately perform the required services because they will not be able to provide the latest proprietary software versions, as required by the Biomedical Department. In accordance with (IAW) company policy and service agreement terms and conditions, only engineers trained and certified by Carestream Health are authorized to repair and/or service Carestream Health's trademarked medical X-ray Units and provide proprietary parts available solely from the servicing company. Since 2013, the VA has invested over [REDACTED] in this highly specialized medical equipment over that period of time. The remaining life expectancy of the medical equipment is 10 years; it

would be advantageous of the VA to pay for the preventive maintenance services over the next 5 years. The Contracting Officer will only exercise the option if the option requirement fulfills an existing government need, and the exercise of the option is the most advantageous method of fulfilling the government's need, price and other factors considered. Having option periods to recover these costs allows the contractor to pass cost savings onto the Government. If this requirement was re-solicited in lieu of exercising the option, the cost of administrative work and the contract rates/price would increase greatly.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

A notice of intent to sole source was posted to www.fbo.gov on August 19, 2014 and closed on August 26, 2014 with no one responding back.

<https://www.fbo.gov/index?s=opportunity&mode=form&id=00c0af85b4dd6dd3cade189b5e4c6d08&tab=core&cvview=0>

Contracting Officer conducted market research, details of which are in the market research section of this document. None of these efforts yielded additional sources capable of meeting the Government's entire requirement.

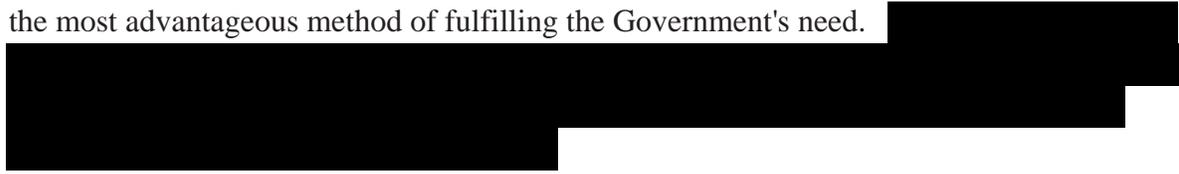
7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

[REDACTED]

[REDACTED]

[REDACTED]

Studies show that Preventive Maintenance can save as much as 12% to 18% over Reactive/emergency maintenance methods. Therefore, it would be most advantageous of the VA to pay for the preventive maintenance services over the next 5 year with each option year the Contracting Officer will review the current market conditions to determine if the option is the most advantageous method of fulfilling the Government's need.



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

In accordance with FAR Part 10, market research has been conducted for this acquisition. The following techniques were used:

Querying the Government wide database of contracts and other procurement instruments intended for use by multiple agencies available at

<https://www.vip.vetbiz.gov/>

<http://www.gsaelibrary.gsa.gov/ElibMain/searchResults.do;jsessionid=D50657B06DBA59D41E80F66BF16516EB.prd1pweb>

Through market research, it has been determined that the requested commercial preventative maintenance and repair services are available from only one source, Carestream Health Inc. Searches of FSS online catalogs, VetBiz.gov, and SBA vendor databases yielded no responsible sources for the required services. A notice of intent to sole source was posted to FBO prior to award providing an opportunity to responsible sources to respond; but no other responsible sources were identified.

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

Compliance with the specifics of the warranty and the service agreement is required: service attempted or performed by any person or company not authorized to perform such service will constitute a breach of the agreement and will consequently void the warranty on the x-rays units currently in operation at Tomah VAMC. This single factor precludes modification to enhance competition. Thus, acquiring a service contract with a potential contractor other than the suggested source can potentially prove too costly and injurious to the Government. If VA were not to obtain this particular service, we would not be able to safely and effectively treat patients.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: “See Section VI above.”

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: When new X-ray equipment is needed, NCO 12 should conduct a competitive procurement for the equipment to include option years for maintenance services.

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.



Derek Ogre
FS Chief
Tomah, WI VAMC

9/9/14

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.

trong.nguyen@va.g

OV

Trong Nguyen
Contracting Officer
Network Contracting Office 12

Digitally signed by
trong.nguyen@va.gov
DN: cn=trong.nguyen@va.gov
Date: 2014.09.15 14:45:07 -05'00'

Date

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

christine.hansen@
va.gov

Christine Hansen
Director of Contracting
Network Contracting Office 12

Digitally signed by christine.hansen@va.gov
DN: cn=christine.hansen@va.gov
Reason: I agree to specified portions of this document.
Date: 2014.09.19 14:58:40 -05'00'

Date