

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 549-14-1-1241-0001

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: Vertical Systems Inc

Manufacturer/Contractor POC & phone number: Tim Travis, 952-456-8331

Mfgr/Contractor Address: 6462 City West Parkway, Suite 100, Eden Prairie, MN 55344

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

Dallas VA MEDICAL CENTER

4500 S Lancaster Rd.

Dallas, TX 75216

Network Contract Office 17

VISN:

17

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

This is a request for other than full and open competition. NCO 17 intends to negotiate and award a firm fixed task order for an automated real-time customer point of service assessment and feedback program on a limited sources basis for a base year with 4 option years to Vertical Systems Inc, 6462 City West Parkway, Suite 100, Eden Prairie, MN 55344 for Dallas VA Medical Center, North Texas Veterans Health Care System, Dallas TX 75216.

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

The Executive Offices has a requirement for the procurement of an automated real-time customer point of service assessment and feedback program system.

(b) ESTIMATED DOLLAR VALUE: \$497,530.00 (base year and 4 exercised option years)

(c) REQUIRED DELIVERY DATE: 27 March 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. (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.

A patent, copyright or proprietary data limits competition. The proprietary data is: Software (If FAR 8.405-6(a)(2)iii 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.

In June 2012 the Dallas VA Medical Center purchased 30 laptops preloaded with proprietary software and 6 MIFI devices (cellular data transmission devices) from Vertical Systems under task order GS-35F-0146X VA257-12-F-0921 that the VA now owns. Task order also included TruthPoint Planning an Implementation, Ongoing Operations and Coaching Services for a period of 1 year. The laptops with the proprietary software and MIFI devices are component parts of the integrated automated real-time customer point of service assessment and feedback system from Vertical Systems Inc. These components parts will not work with any other customer point of service assessment and feedback system. Vertical Systems is the manufacturer and developer of the TruthPoint Software and exclusive provider of supporting services for the real-time customer point of service assessment and feedback 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. Continuation from original order GS-35-F-0146X VA257-12-F-0921

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:

The Contracting Officer has determined that prices for this procurement will be fair and reasonable based on comparison of proposed prices with Vertical Systems Inc approved GSA Federal Supply Schedule pricing listed under their GSA Contract GS-35F-0146X.

Item #	Description	Unit	GSA Discount	GSA Price w/o IFF	GSA Price with IFF	VA NTHCS Price	VA NTHCS Quantity	VA NTHCS Extended Price	Notes
VSI-S1	Unique Survey Implementation Fee	Per Unique Survey	3 %	\$970.00	\$977.33	\$970.00	5	\$4,850.00	Five unique surveys are being developed at a total cost of \$4,850.00
VSI-S2	Hosting Fee	Per month per unique survey	3%	\$678.03	\$683.15	\$291.00	192	\$55,872.00	Providing 8 Patient assessments of care experience for 16 different care areas. 16 locations of use times 12 months per year equal 192 units of use.
VSI-S1.1	Cellular Connection Device and Data Use	Per device per month	3%	\$72.75	\$73.30	\$50.00	72	\$3,600.00	There are 6 Cellular connection devices (MIFI) for 12 or 72 units of use.
VSI-L1	TruthPoint Professional Services	per hour	0.03	\$160.05	\$161.26	\$161.00	208	\$33,488.00	14 hours per month of TruthPoint professional services (Improvement Coaching) will be provided each month for a total of 168 hours. In addition to this, two site visits are included that allows for 20 hours each of Truthpoint Professional Service preparation and on site time for a total of 40 hours.
								\$720.00	Travel expense (airfare and hotel) for above two site visits.
								\$93,680.00	Total for ongoing operations and coaching for base year

										minus one time unique survey implementation fee.

The annual price for required services IAW GSA approved pricing is \$174,871.70; however Vertical Systems Inc is offering pricing in a budgetary quote; which is below their approved GSA pricing as indicated below:

- Base Year: \$93,680 plus one-time implementation price of \$4,850 for a total of \$98,530
- Option Year 1: \$96,000
- Option Year 2: \$98,500
- Option Year 3: \$101,000
- Option Year 4: \$103,500

In addition Vertical Systems Inc offers these services to Government Customers at least 3% below their best private sector customer's pricing. Based on above information; a best value determination has been made and it has been determined that this procurement represents best value to the government.

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

This procurement does not meet the requirements of FAR 5.101 (a)(1), nor does it meet the requirements of FAR 5.101 (a)(2). As such, the procurement is not required to be synopsised on FedBizOpps (FBO). Contacted suggested source Vertical Systems Inc which is the manufacturer and developer of the real-time customer point of service assessment and feedback system to see if they had any other distributors on schedule for required services. Vertical Systems has indicated they do not have any other distributors on GSA Federal Supply Schedules for these services and they are the exclusive provider.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION: The Dallas VA Medical Center has received good results from the initial procurement of real-time customer point of service assessment and feedback system for process improvement and Veterans Integrated Network (VISN) Office 17 has included this as a part of their Strategic Planning for this fiscal year. This will provide support for VISN 17 efforts to improve veteran's satisfaction on a VISN and national level.

(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:

None at present time; due to Vertical Systems Inc being the manufacture and developer of the proprietary software that is a key component of the real-time customer point of service assessment and feedback system and Vertical Systems Inc being the exclusive provider of supporting services for the real-time customer point of service assessment and feedback system.

(9) REQUIREMENTS CERTIFICATION: REDACTED

(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(d): REDACTED