

**LIMITED SOURCES JUSTIFICATION**

ORDER >\$150,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 501-16-1-055-0003

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:

Manufacturer/Contractor: Philips Healthcare (V797P-6011B)

Manufacturer/Contractor POC & phone number: David Corley, (480)221-8940

Mfgr/Contractor Address: 22100 Bothell Everett Hwy, Bothell, WA 98021-8431

Dealer/Rep address/phone number: David Corley, (480)221-8940; david.corley@philips.com

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

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs  
New Mexico VA Health Care System  
VISN 18 NCO Big Spring  
707 East 3rd Street  
Big Spring, TX 79720-5566  
18

VISN:

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

The Department of Veterans Affairs, SAO West, VISN 18 Consolidated Contracting Activity, located in Big Spring, Texas at 707 East 3<sup>rd</sup> Street, Big Spring, TX 79720, intends to enter into a firm-fixed price contract on the basis of justification for limited sources on behalf of the New Mexico VA Health Care System (NMVAHCS) under purchase request number 501-16-1-055-0003. The task order will be placed against the National Acquisition Center (NAC) contract (V797P-6011B), with Philips Healthcare for the preventative maintenance (PM) services of the FD20 Radiology and Cardiology Imaging equipment located at NMVAHCS, as the original equipment manufacturer (OEM), and sole firm that is capable of servicing, repairing, and supplying replacement parts within manufacturers recommendations for any and/or all equipment.

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

This procurement is for the provision of preventative maintenance services on the FD20 Radiology and Cardiology Philips Healthcare manufactured equipment currently in use at the NMVAHCS. These units will require ongoing preventative maintenance and support in order to ensure full operational and functional utilization to support critical patient care delivery.

(b) ESTIMATED DOLLAR VALUE: \$313,800.00

(c) REQUIRED DELIVERY DATE: October 1, 2015

(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.  
Philips Healthcare is the original equipment manufacturer (OEM), and sole firm which is capable of servicing, repairing, and supplying replacement parts for the OEM equipment utilized by NMVAHCS. All services performed to meet the standards of the OEM must be performed by certified technicians that have been specifically trained by the manufacturer. Philips Healthcare Imaging and Ultrasound equipment require trained technicians to ensure that the Philips equipment remain functional to meet the demands of critical patient care at NMVAHCS.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is: Philips Healthcare, a Division of PENAC (V797-6011B)

☐ 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 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:

Since this procurement will be awarded as a task order against an existing National Acquisition Center (NAC) contract, the anticipated cost is considered to be fair and reasonable in accordance with (IAW) Federal Acquisition Regulation (FAR) Part 8.404(d). FAR 8.404(d) states that the "GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing." Furthermore, "by placing an order against a schedule contract using the procedures in 8.405, the ordering activity has concluded that the order represents the best value (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs." Also, prices proposed by Philips Healthcare for the preventative maintenance services are in line with those previously paid by current facility task orders for the same or similar work on earlier requirements and the Contracting Officer will seek further discounts if appropriate.

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

The customer indicated that Philips Healthcare is the sole source capable of providing the required preventative maintenance services stated above. No SDVOSB/VOSB's listed in VetBiz are able to provide the services. Philips Healthcare is the only NAC FSS vendor that is able to provide the services. Philips Healthcare is the only entity identified during market research capable of providing the critical services. The contractor provided documentation which identifies that Philips Healthcare as the only source that can provide these services. Proposed prices found to be fair and reasonable compared to previous purchase orders listed in the market research documentation.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Due to its proprietary nature, Philips Healthcare is the only company that is able to provide the maintenance and repair services for this critical medical equipment.

(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:

Philips Healthcare's quality assurance, proprietary expertise, and historical performance of this service allowed the agency to remove or overcome any barriers that may have led to restricted consideration; it was further determined that no other actions could be considered or accomplished to eliminate the limited sources justification that is required.



(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.)*

Patrick S. Mellady 158019

SIGNATURE

Patrick Mellady

NAME

New Mexico VA Health Care System

FACILITY

DATE

Chief, Biomedical Engineering

TITLE

Biomedical Engineering

SERVICE LINE/SECTION

(10) **APPROVALS IN ACCORDANCE WITH THE VHAPM, Volume 6, Chapter VI: OFOC SOP:**

a. **CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Michael J. Tusinger

410059

CONTRACTING OFFICER'S SIGNATURE

07/30/2015

DATE

Michael J. Tusinger, Branch Chief

NAME AND TITLE

NCO18, Big Spring TX

FACILITY

b. **Director of Contracting/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

SIGNATURE

Sabrina Smith

NAME

NCO/PCO 18 Director of Contracting

DATE