

Chapter VI: Other Than Full and Open Competition (OFOC) SOP  
Attachment 2: Request for Limited Sources Justification Format >\$150K

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**2237 Transaction # or Vista Equipment Transaction #:** 506-16-1-1527-0004

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: PHILIPS HEALTHCARE A DIVISION OF PENAC

Manufacturer/Contractor POC & phone number: BILL COWAN (915)313-7400

Mfgr/Contractor Address: 22100 BOTHELL EVERETT HWY BOTHELL WA 98021-8431

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

2215 Fuller Rd.

Ann Arbor, MI 48105

**VISN:**

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

Preventive maintenance and unlimited emergency repairs service agreement for medical devices located in Ann Arbor in the Ann Arbor VA Medical Center, Ann Arbor, MI. The medical devices are for highly technical Philips medical x-ray equipment. This is full service coverage.

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

Contractor to provide all parts, material, labor, supervision, test equipment, technical manual and transportation necessary to perform preventive maintenance and unlimited emergency repairs on the Government owned Philips x-ray equipment throughout the VA Ann Arbor Medical Center.

**(b) ESTIMATED DOLLAR VALUE:** \$673,561.99

**(c) REQUIRED DELIVERY DATE:** 10/1/2015 through 09/30/2016

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**(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.**

☒ 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.  
Contractor is the manufacturer and is uniquely qualified to provided on time parts and labor.  
Equipment has proprietary hardware and software that the vendor has unique access to in order to provide the needed level of service. The coverage includes planned maintenance to avoid voided manufacturer warranty, priority response for service to avoid delays in patient care, software updates and other services needed by manufacturer maintenance specifications. The original equipment manufacturer is the only source able to maintain this complex and delicate equipment that is an integral part of this facility.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is:  
(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.)  
Philips high end x-ray equipment contains hardware and software components that are proprietary in nature and thus makes third party service and/or parts not an option. Philips is the only authorized vendor who can obtain OEM replacement parts. Third party vendors and equipment will void any agreement with Philips on warranty and guarantee for the equipment.

☐ 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.  
All parts must be compatible with the system which are not available through third party vendors.  
Any replacement parts that are not manufactured by Philips will void all guarantees and warranties.

☐ 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.

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**(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:**

NAC has negotiated this contract with Philips for the full services coverage on high tech equipment. NAC contract prices are determined to be fair and reasonable. This is the best value to the Government because a third party vendor will void any guarantees and warranties with the OEM vendor and can result in higher and unnecessary replacement costs and affect patient care.

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

Market research of Philips equipment shows there are no viable service providers for the full scope of all needed services on this high tech equipment. NAC establishes contracts for field stations to use for the high tech equipment requirements, V797P-6011B. In review of the availability to contract the manufacturer to perform preventative maintenance and emergency repairs we elected to follow suit and use the contracted vendor to avoid duplication and unnecessary costs.

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

Philips is the manufacturer of the aforementioned equipment that requires a full service agreement and is the only provider capable of providing the range of services specified by the manufacturer. The range of service that Philips can provide will prove beneficial in the overall cost effectiveness in maintaining and operating the high tech x-ray 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:**

Should requisition of this nature occur again we would perform a new market survey to locate possible new vendors.

**(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.)*

