

Limited-Sources Justification

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Strategic Acquisition Center (SAC)
10300 Spotsylvania Avenue
Fredericksburg, VA 22408
2. Description of Action: The proposed action is for a blanket purchase agreement (BPA) to a single source for a national agreement to be established under the Veterans Affairs Federal Supply Schedule (VA FSS) contract V797P-4081B to Draeger Medical, Inc., 3135 Quarry Road, Telford, Pennsylvania 18969.
3. Description of the Supplies or Services: Veterans Health Administration (VHA) Veterans Integrated System Networks (VISNs) 1, 7, 15, 16, 17 and 20 require software and hardware maintenance services for the Innovian Anesthesia Record Keeper (ARK) System from Draeger Medical, Inc. Innovian software and clinical work stations are in VISNs 1, 7, 15, 16, 17 and 20 for ARK program mission within VHA. VHA has previously purchased and installed Innovian ARK perpetual software licenses and hardware from Draeger Medical, Inc. Innovian Anesthesia software is a robust ARK System with an Innovian-end Veterans Health Information Systems and Technology Architecture (VistA) interface that enables real time bi-directional exchanges of data in VistA both in batch and real time. VISNs 1, 7, 15, 16, 17 and 20 use Innovian Anesthesia software for electronic documentation in anesthesiology environments. The software provides users important data, such as patient demographics, text integration, patient allergies, problem lists, care status and delivery, lab results, medication administration, and information regarding surgeries. The ARK replaces paper anesthesia records used in the Operating Rooms (ORs) and other anesthetizing or moderate sedation locations to manage patient information in the OR, pre and post-procedural, and critical information during OR procedures.

The software maintenance includes software updates, and new versions; including, any replacement versions or name revisions of the existing perpetual unlimited, non-exclusive software licenses. The hardware maintenance includes scheduled repairs, unscheduled maintenance, preventive maintenance, technical support, and training.

The period of performance will consist of a base period of 1 year and four 1-year option periods. The estimated price of the proposed action inclusive of options is \$36,669,581.04.

4. Authority: Federal Acquisition Regulation (FAR) 8.405-6(a)(1)(i)(B), Only one source is capable of providing the supplies or services required at the level of

quality required because the supplies or services are unique or highly specialized.

5. Rationale Supporting Use of Authority Cited Above: The proposed source for this effort is Draeger Medical, Inc.; 3135 Quarry Road, Telford, Pennsylvania 18969. The Innovian Anesthesia software and hardware, produced and developed by Draeger Medical, is a proprietary product. Draeger Medical, Inc. is the manufacturer of both Innovian Anesthesia and Draeger Clinical workstations and does not authorize third parties to perform maintenance or repairs. Without Draeger Medical, Inc. support services, VHA will ultimately experience application performance problems within Innovian and across multiple data systems, which will ultimately limit user access to critical patient care information and loss of patient data. Only Draeger Medical, Inc. support services will ensure the existing Innovian Anesthesia software and hardware operates continuously and ensures VA clinical and technical experts can obtain the necessary technical support to resolve any issues related to use of the Innovian Anesthesia product. Changing software systems would require new ARK systems at a cost of \$133,497,793. Additionally, any other source would require access to Draeger Medical proprietary data in order to successfully perform support services for the Innovian© Anesthesia software and hardware. This data is not available to the Government and only Draeger Medical, Inc. owns it.

6. Determination of Best Value: I hereby determine that the proposed contract action will represent the best value to the Government. GSA has already determined that the prices on the FSS contract are fair and reasonable. Additionally, price discounts will be sought when negotiating the final agreement.

7. Market Research: On March 10, 2015, a sources sought notice, Request for Information (RFI) VA 119-15-N-0150, was posted on the Federal Business Opportunities website. The goal was to identify sources to provide Innovian ARK software and hardware maintenance support. Only Draeger Medical, Inc. responded to the RFI. This market research confirmed that Draeger Medical, Inc. is the only source with the required expertise to provide maintenance support for the Innovian ARK software and hardware. In addition, there are no comparable sources able to perform or provide the Innovian ARK software and hardware maintenance support.

Draeger Medical, Inc. stated they are the only organization authorized to provide support to the Innovian ARK software product. This makes them the only suitable and capable company to provide this maintenance. Draeger Medical, Inc. is the sole developer of the Innovian ARK software and the sole proprietor of the Innovian ARK software, having created the product. Draeger Medical, Inc. is the only company that has access to the software code and is the only provider of ongoing support for this software. No other company has the rights or

expertise to perform the same services. Since the original release of Innovian© software version 1.0 in 2004, Draeger Medical, Inc. created and released many versions, including the latest release of 6.0, which contains many VA-specific requirements. Draeger Medical, Inc. maintains a factory trained staff of technical support engineers. Draeger Medical, Inc. continually releases new versions of Innovian© software and migrated VA customers forward to these new versions. The next scheduled release is version 6.1, which is anticipated to be installed in all 44 VA sites currently under contract with Draeger Medical, Inc. for their ARK system.

The maintenance services are commercially available. In addition to support services currently provided to Federal Government sites, Draeger Medical, Inc. is also the exclusive provider of such services to approximately 39 commercial sites that use Innovian© software. Draeger Medical, Inc. stated they are the only organization authorized to provide support to the Innovian© software product, making them the only suitable and capable company to provide this maintenance.

8. Any other facts supporting the justification: The Innovian© Anesthesia software and hardware, produced and developed by Draeger Medical is a proprietary product. Draeger Medical does not have affiliation or agreements in place with any authorized resellers to resolve technical problems and/or obtain Draeger Medical, Inc. software updates; therefore, Draeger Medical is the only one responsible source that exists to obtain this vital support.

9. Actions to Increase Competition: In order to remove or overcome barriers to competition in future acquisitions for this requirement, the agency will work with the program office to perform additional market research to consider if alternate support service providers become available.

10. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's requirements. There is no competition anticipated for this acquisition. In accordance with FAR 5.301 and 8.405-6(a)(2), this action will be synopsisized at award on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available.

11. Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Signature: _____

Date: _____

Program Specialist

12. Determination of Best Value: I hereby determine that the proposed contract action will represent the best value to the Government.

Signature: _____

Date: _____

Contracting Officer

13. Procuring Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

Signature: _____

Date: _____

Contracting Officer

14. Legal Sufficiency Certification: I have reviewed the justification and find it legally sufficient as to formalities and compliance with the requirements set forth in FAR 8.405-6(a)(1)(i)(B).

Signature: _____

Date: _____

Legal Counsel

Approval

Based on the foregoing justification, I hereby approve the acquisition of software and hardware maintenance services for the Innovian ARK software and hardware on a limited-sources basis, pursuant to the authority cited in FAR 8.405-6(a)(1)(i)(B), subject to availability of funds, and provided that the services and property herein described have otherwise been authorized for acquisition.

Date: 

Signature 

Head of Contracting Activity
Office of Acquisition Operations