

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**Acquisition Plan Action ID:** VA69D-16-AP-2662

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: Vital Images Inc.

Manufacturer POC & phone number: Michael Flynn 952-487-9591

Mfgr/Address: 5850 Opus Parkway, Minnetonka, MN 55343

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

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

Department of Veterans Affairs

Great Lakes Acquisition Center

115 South 84<sup>th</sup> St. 1<sup>st</sup> Floor

Milwaukee, WI 53214-1476

**VISN: 12**

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

This Limited Source Justification is for the procurement of software updates and support for the Vitre Medical Imaging System currently in use at the Milwaukee VA Medical Center. These software services are on Vital Images' Federal Supply Schedule (FSS) Contract [REDACTED]. The Government shall task a five year ordering period off of the vendor's FSS contract, and then place orders (most likely annual orders) within that ordering period.

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

The Milwaukee VA Medical Center purchased Vital Images' VitreView and Vitre Software system in FY 15 through the DLA for \$308,000.00. This system is widely used throughout the Medical Center by medical practitioners, and enables doctors in Milwaukee to share images and collaborate with doctors and specialists in other locations. The COR, Robert Steldt, requested a five year ordering period with the first task order beginning on [REDACTED] 06/01/2016.

**(b) ESTIMATED DOLLAR VALUE:** \$231,190.00 for the entire five year ordering period

**(c) REQUIRED DELIVERY DATE:** 05/01/2016-04/30/2021 for the five year ordering period, individual orders will be made as required during this five year period (most likely annual orders)

**(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.**

☒ A patent, copyright or proprietary data limits competition. The proprietary data is: Vital Images is the current trademark holder of the of their VitreView Image Processing System and the attendant software. In accordance with Title 17 of the United States Code, copyright's are treated as creative works and are treated as private property. Therefore only Vital Images can satisfy the Government's needs by providing the needed troubleshooting and especially software updates and patches.

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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:**

The Milwaukee VA Medical Center invested significant resources into procuring the original system from Vital Images in FY 15 at a cost of \$308,000.00. The Vitre Imaging System is widely used my medical practitioners and nurses, and provides pivotal information storage and sharing to on and off-site personal. Wide sharing of information and images has shown to produce substantial savings in the health care setting, reducing labor and travel costs, and greatly enhancing efficiency.  
Software support and updates are available on Vital Images' FSS contract, and as the copyright holder for these systems, no other vendor can provide these services. Per FAR 8.404 – Use of Federal Supply Schedules, the pricing for these fixed-priced services have already been determined to be fair and reasonable. Additionally, the Contracting Officer will request a further discount from the listed FSS prices.

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

The Contracting Officer researched FPDS and FBO for awards for Vital Images for the same service(s). In March of 2015, VISN 16 awarded a contract (VA256 15-C-0046) to the vendor for the same service as a one and only source.  
Of those vendors on Vital Images' schedule, only the current copyright holder can provide access to the software.

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

None

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**(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:**

The contracting activity should ensure that when large and expensive medical systems are procured, any service, maintenance, or software procurements that are required after the initial warranty expires, are contemplated and when possible competed with the initial purchase. As long as the Government continues to purchase systems in which the OEM is the sole provider of the service, maintenance, and/or software, than sole-source procurements will be a continued presence in the procurement environment.

**(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.)*

Robert E

Steldt 195270

Digitally signed by Robert E Steldt 195270  
DN: dc=gov, dc=va, o=internal,  
ou=people,  
0.9.2342.19200300.100.1.1=robert.steldt  
@va.gov, cn=Robert E Steldt 195270  
Date: 2016.04.22 14:04:24 -0500

4/22/2016

SIGNATURE

DATE

Steldt, Bob

Chief

BioMedical Engineering

NAME

TITLE

SERVICE LINE/SECTION

Milwaukee VAMC

FACILITY

**(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.

Ryan J Mcmillin  
694313

Digitally signed by Ryan J Mcmillin 694313  
DN: dc=gov, dc=va, o=internal, ou=people,  
0.9.2342.19200300.100.1.1=ryan.mcmillin@va.  
gov, cn=Ryan J Mcmillin 694313  
Date: 2016.04.20 09:53:17 -0500

04/20/2016

CONTRACTING OFFICER'S SIGNATURE

DATE

Ryan McMillin, Contracting Officer  
NAME AND TITLE

NCO 12, Great Lakes Acquisition Center  
FACILITY

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

Scott A Ivy  
339112

Digitally signed by Scott A Ivy 339112  
DN: dc=gov, dc=va, o=internal, ou=people,  
0.9.2342.19200300.100.1.1=scott.ivy@va.  
gov, cn=Scott A Ivy 339112  
Date: 2016.04.25 07:23:35 -0500

4/25/2016

SIGNATURE

DATE

Scott Ivy, Branch Chief, NCO12

NAME

NCO/PCO X Director of Contracting