

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$650K**

**FAR PART 8.405-6**

**2237 Transaction # or Vista Equipment Transaction #:** 621-16-3-091-0063

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:** Philips Healthcare (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer/Contractor: Philips Healthcare

Manufacturer/Contractor POC & phone number: Joe Odenweller phone #865-250-7383

Mfgr/Contractor Address: 3000 Minuteman Road, MS0400, Andover, MA 01810-1099

Dealer/Rep address/phone number: Same as above

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

**(1) AGENCY AND CONTRACTING ACTIVITY:** **Department of Veterans Affairs**  
**VISN 9 Network Contracting Activity**  
**1639 Medical Center Parkway, Suite 400**  
**Murfreesboro, TN 37129**

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

Upgrading outdated hospital monitoring system hardware, software and operating system platform.

**(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:**  
MHVAHCS requires an upgrade the existing 32 bit system to one 64 bit fully integrated plug-and-play monitoring system with complete interface for CPRS/VISTA and new hardware installed in the operating room, post anesthesia care unit, medical surgical wards, anesthesia carts, and new emergency department beds. Additionally wards CG, C1, C2, intensive care unit, progressive care unit, cardiac catheter laboratory, biomedical maintenance, and emergency department including the emergency room, mental health emergency room, and urgent care clinic require software upgrades to the existing hardware. Hardware must be flexible and accommodate features including 12 inch Thin Film Transistor (TFT) widescreen touch, multi-measurement module extensions, built-in batteries, patient monitor with modular monitoring solution, a multi-measurement module family, anesthetic gas modules, dedicated configuration in support of cardiac and critical care, including four or more day medical data storage that is compatible with requested upgrade monitoring networking infrastructure and interface.

**(b) ESTIMATED DOLLAR VALUE:** \$\$2,400,000.00

**(c) REQUIRED DELIVERY DATE:** As Soon As Possible – Emergent Basis

**(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.** An urgent and compelling need exists, and following the procedures would result in unacceptable delays; 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

☒ 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.  
The patient monitor requires flexible modular monitoring solution to suit a spectrum of hospital needs including multi-measurement module (MMS) family with extensions, plug-in measurement modules, anesthetic gas modules, plug-and-play functionality, integrated 12" TFT widescreen touch display, built-in battery bay, battery included, and other parts as configured with dedicated configurations supporting anesthesia, critical and cardiac care environments. The patient monitoring system will be compatible with networking infrastructure integrate and interface with CPRS/VISTA and all established VA information security architecture. This upgrade will perform on established Philips architecture and not require MHVAHCS to procure a complete new system.

☒ 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.)  
All software and hardware is proprietary to Philips Healthcare and its patient monitoring system. This upgrade to software and hardware can operate only on the Philips Healthcare design. The upgrade must meet or exceed all information management security requirements and will integrate and interface with CPRS/VISTA and all VA security and interface, integration and infrastructure specifications.

☒ These are "direct replacements" parts/components for existing equipment.  
Some parts and specific software for the hospital patient monitoring system will directly replace existing parts and some hardware and software will upgrade existing hardware and software. Key is all new parts, upgraded parts and software must perform on the same established infrastructure. If new parts, upgraded parts and software will not perform on established infrastructure an entirely new hospital monitoring system must be procured and the entire staff will have to be trained. An entirely new system will cost significantly more to procure.

☒ 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.  
Philips components have proprietary hardware and software architecture. Integration into one patient monitoring system for the hospital is a key objective and upgrading to system interfacing with CPRS/VISTA is another key portion of this objective. The Philips Patient Monitoring System will accomplish both objectives. There is no other manufacture or system available that will accomplish these objectives.

☐ 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.

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☒ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

Currently, Mountain Home Veteran Affairs Healthcare System (MHVAHCS) operates the Classic N Philips patient monitoring systems. This does not completely interface all medical information with CPRS/VISTA or the electronic health record (EHR). The Classic N Philips monitoring system also 32 bit architecture past its end of life in 2014. Microsoft ended support for the 32 bit Windows (XP) operating system in 2014. Classic N systems failure will compound the patient safety disaster and stop procedures and limit treatment and services in the Emergency Department, the Operating Room, Anesthesia units, Catheter Laboratory, Cardiology Clinic, Wards CG, C1, C2, ICU, PCU, PACU, the Community Living Center.

**(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:**

Procuring this upgrade is significantly less costly than procuring a complete new system. At the present time a complete new system is not known. This upgrade will integrate healthcare delivery throughout the MHVAHCS and interface recording healthcare procedures, treatment and services with CPRS/VISTA.

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

Simply stated only two companies are available to compete for this requirement because these two companies have current and proven Business Associate Agreements and Memorandum of Understanding for Information Security Assessment: General Electric Healthcare (GEH) and Philips Healthcare (PH). GEH's MOU-ISA expires in 2016 and PH's is good to 2018. GEH cannot provide the same quality, capabilities and competencies as PH and for these reasons PH is the company of choice. MHVAHCS already owns the Classic N Philips system therefore does not require a totally new system rather an upgrade. Philips quote provides MHVAHCS approximately 30% discount on the upgrade package. Market cost for the Philips upgrade is \$4,012,087.00 and the discount offered in their quote is \$1,326,677.11 resulting in a total cost to the VA of \$2,685,409.89.

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

GEH system is not compatible and will not interface with PH.

(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:

PH is the standard system at MHVAHCS.

(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.)*

SIGNATURE

DATE

NAME

TITLE

SERVICE LINE/SECTION

FACILITY

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

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

CONTRACTING OFFICER'S SIGNATURE

DATE

NAME AND TITLE

FACILITY

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

SIGNATURE

DATE

Linda S. Greaves, Director of Contracting, NCO 9



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

**HIGHER LEVEL APPROVAL (Required *For orders over \$700,000*):**

c. **VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$13.5 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

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Randy Hays  
VHA Head of Contracting Activity (HCA)

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DATE