

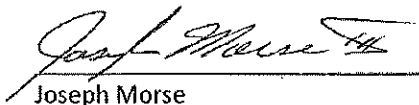
DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval
For
Other Than Full and Open Competition

1. **Contracting Activity:** The Department of Veterans Affairs, VISN 22 Network Contracting Office (NCO), located at 4811 Airport Plaza Drive, Suite 600, Long Beach, CA 90815 proposes to enter into a purchase order on the basis of justification for other than full and open competition for the VA Long Beach Healthcare System (VALBHS). The Purchase Request transaction number is 600-12-1-5667-0405.
2. **Nature and/or Description of the Action Being Processed:** This is a new procurement and the purchase order contemplated will be firm fixed price to ATL/Phillips Ultrasound at 22100 Bothell Everett Hwy, P.O. Box 847182, Bothell, WA 98041.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The vendor shall provide repair service for one Government-owned IRIX Nuclear Camera located at VA Long Beach Healthcare System. Repair service includes the acquisition and installation of components for the electronics cabinet damaged during routine flooding. The repair will be completed by a qualified technician in accordance with manufacturer's instructions, including, adjustments, calibrations, and testing. The purchase order will be for a one-time repair and is estimated to cost \$29,179.54.
4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC §253(c) (2), as implemented by FAR 6.302.2:
 - () (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
 - (X) (2) Unusual and Compelling Urgency per FAR 6.302-2;
 - () (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
 - () (4) International Agreement per FAR 6.302-4
 - () (5) Authorized or Required by Statute FAR 6.302-5;
 - () (6) National Security per FAR 6.302-6;
 - () (7) Public Interest per FAR 6.302-7;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority:** ATL/Phillips Ultrasound is the manufacturer and servicer of the IRIX Nuclear Camera. They are the sole provider of parts and software for the IRIX Nuclear Camera. ATL/Phillips Ultrasound will be able to obtain the required parts in a few business days, provide the mandatory repairs to the hardware, and resolve any issues that may have occurred with the proprietary software within the unit in a week. ATL/Phillips Ultrasound currently provides maintenance for the IRIX Nuclear Camera under PO 600-C27025. Purchase order 600-C27025 provides maintenance for the IRIX Nuclear Camera, including all parts in labor. This particular instance is not covered by the aforementioned purchase order due to misuse. The vendor is required to do all maintenance and repairs to maintain the warranty on the equipment. This method of procurement ensures patients can continue to receive uninterrupted care and to prevent the delay in mandatory health services due to the inoperability of essential equipment.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** According to FAR part 5.202(a)(2), Exceptions, purchases conducted using simplified acquisition procedures under FAR part 6.302-2 need not synopsise the procurement. Due to the specialized proprietary nature of the repair, no other sources could be found who could provide the necessary services. See item 8 for full market research description.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** This price is fair and reasonable based upon 1) Market Research, 2 Past Price Performance, and 3. based upon conversations with other contracting officers that typically purchase this type of equipment. A search was conducted in the VA VISTA system for past repairs of the IRIX camera and two (2) purchase orders were found. PO 600-C00320 at \$11,446.90 was for labor and replacement of three parts (coilcord, hand control and harness). PO 600-C90472 at \$69,723.06 was for labor to both repair and uninstall and re-install the cameras in different locations. The price includes the labor and additional parts (\$12,003.06). The current procurement requires the replacement of nine (9) critical major parts (radius cover, radius motor, umpu fans, 5v Mpu power supply, 8 port hub, I/F DC distribution, motor controller, MPU, Umpu bracket) and labor for \$29,179.54. Past prices included the minimal part replacements averaging about \$3000 each for minor parts. Market research has found that these parts are highly specialized parts that are unique in nature and can only be purchased and installed by a trained Philips technician. Used parts have been found in the marketplace but were not certified as reconditioned parts, in addition the VA prefers to use direct OEM replacement parts for instruments of this complex technical nature. Research has shown that only Philips carries new OEM replacement parts for this instrument. Based upon conversations with contracting officers that typically purchase this type of equipment, they state that due to the complex and highly specialized technical nature of this equipment, that pricing for these replacement parts will typically run from \$5000-\$10,000 each for replacement and additional costs for labor. Based on market research and the past history prices of similar services, it is determined that the price is fair and reasonable.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research was conducted for the IRIX Nuclear Camera. A search was completed to find any FSS vendors capable of providing the parts and/or services required. No sources were found in the listings of FSS schedules. A search for other sources via the Internet yielded no results. Used and refurbished IRIX Nuclear Cameras were available for purchase, but no vendors offered repair services for the equipment. A search for parts vendors provided no viable alternatives. Information regarding the cease of production of the product, the lack of availability of parts to the general market, and the exclusivity of the repair specialists was found while conducting an online search. A FBO search provided instances where other VA facilities have had to use sole-source procurement in order to obtain repair services for Philips medical equipment.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** In order to maintain the warranty on the equipment, all repairs must be completed by the manufacturing company, Phillips Ultrasound. Phillips has access to the propriety hardware and software necessary to complete the repairs properly while retaining the warranty and maintaining the existing maintenance service. Phillips Ultrasound already has an existing purchase order in place under PO 600-C27025 against the NAC contract V797P-6011B.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** There were no sources that expressed interest in writing for this acquisition due there being no solicitation issued for this purchase order.

- 11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:** Emergency repairs occur on an infrequent basis and are unlikely to be eliminated through further contracting action. Failure of items outside of warranty and service agreement provisions are rare, but occur in an unpredictable and infrequent manner that would defeat the purpose of any long term contract. No further contract action is needed.

12. **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 and belief.

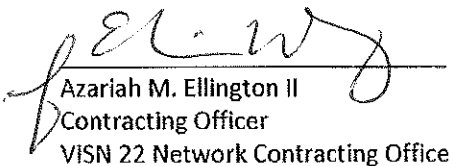


Joseph Morse
Chief Biomedical Engineering
VA Long Beach Healthcare System

1/23/12
Date

13. **Approvals in accordance with FAR 6.304**

- a. **Contracting Officer's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



Azariah M. Ellington II
Contracting Officer
VISN 22 Network Contracting Office

1-23-12
Date

- b. **NCM/PCM:** I certify the justification meets requirements for other than full and open competition.



Kevin Blanchard
Network Contract Manager
VISN 22 Network Contracting Office

1-23-12
Date