

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6(a)(1)(B)

2237#: 678-17-1-221-0003

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in paragraph 3(a) below is **limited 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/Contractor:

Philips Healthcare (V797P-6011B)

Manufacturer/Contractor POC & phone number:

Mfg/Contractor Address:

22100 Bothell Everett Hwy

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
Network Contracting Office (NCO) 18

VETERANS INTEGRATED SERVICE NETWORK (VISN): 18

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

The NCO 18 Contracting Office proposes limited-source, firm-fixed price task orders with Philips Healthcare for the preventative maintenance (PM) services of Imaging and/or Ultrasound equipment located at VISN 18 facilities, as the original equipment manufacturer (OEM), and sole firm that is capable of servicing, repairing, and supplying replacement parts within manufacturers recommendations for any and/or all equipment.

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

This procurement is for the provision of preventative maintenance services on various Philips Healthcare manufactured equipment currently in use throughout VISN 18. These units will require ongoing preventative maintenance and support in order to ensure that they remain fully functional and can continue to be used for their intended purposes of providing Imaging and/or ultrasound services in conjunction with critical patient care.

(b) ESTIMATED DOLLAR VALUE: Funding will be varied based on facility requirements. Reviews and Processes will be based on dollar value of individual task orders. No task order at any of the Tucson facilities is expected to exceed [REDACTED]

(c) REQUIRED DELIVERY DATE: October 1, 2016 (Requirement is needed annually)

(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:**

Philips Healthcare is the original equipment manufacturer (OEM), and sole firm which is capable of servicing, repairing, and supplying replacement parts for the OEM equipment utilized by VISN 18 Medical facilities. Philips Healthcare has also provided a written statement (See P03_Attachment_1) confirming that they are the only source certified to perform any maintenance or repair on their equipment to include Philips Remote Services (PRS) which allows Philips Healthcare to provide support services through remote and encrypted communications. All location has the necessary equipment in place to allow these contracted type services if needed.

☒ **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 Healthcare has proprietary software to interface Imaging and Ultrasound systems with the VA's Veterans Health Information Systems and Technology Architecture (VistA). All equipment currently located at medical facilities use the interface to allow medical professionals to view images directly into the system allowing the VistA packager software to identify the patient with a care management plan. All contractors that provide equipment to VA medical facilities must create their own proprietary software programs to interface directly with OEM equipment. Philips Healthcare currently has this interface throughout all facilities that use their equipment.

☒ **These are "direct replacements" parts/components for existing equipment:**

Direct replacement parts may be required in performance of this work and Philips Healthcare is the only source that can provide any required OEM type maintenance, repairs, or parts (See P03_Attachment_1).

☒ **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 services performed to meet the standards of the OEM must be performed by certified technicians that have been specifically trained by the manufacturer. Each medical facility that uses Philips Healthcare Imaging and Ultrasound equipment has invested millions in the purchase of this equipment and the need for highly skilled, trained technicians is a must to ensure the equipment remains functional to meet the demands of the patient care.

☒ **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. The services are available through Defense Logistics Agency (DLA) Troop Support contract and V797P-6011B which was negotiated with the Veterans Administrations National Acquisition Centers (NAC).**

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

(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:

Since this procurement will be awarded as a task order against an existing National Acquisition Center (NAC) contract, the anticipated cost is considered to be fair and reasonable in accordance with (IAW) Federal Acquisition Regulation (FAR) Part 8.404(d). FAR 8.404(d) states that the "GSA has already

determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing." Furthermore, "by placing an order against a schedule contract using the procedures in 8.405, the ordering activity has concluded that the order represents the best value (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs." Also, prices proposed by Philips Healthcare for the preventative maintenance services are in line with those previously paid by current facility task orders for the same or similar work on earlier requirements and the Contracting Officer will seek further discounts if appropriate. Philips Healthcare is also providing additional discounts based on the quantity of equipment that is located at the facilities. Before award of individual task order (anticipated [REDACTED]), the Contracting Officer will ensure that the prices are within the NAC Contract negotiated prices and within costs recently awarded for similar procurements.

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

- The customer indicated that Philips Healthcare is the sole source capable of providing the required preventative maintenance services stated above.
- No SDVOSB/VOSB's listed in VetBiz are able to provide the services.
- Philips Healthcare is the only NAC FSS vendor that is able to provide the services.
- Philips Healthcare is the only entity found in an internet search that can provide the services.
- The contractor provided documentation (See Attachment 1) which identifies that Philips Healthcare as the only source that can provide these services.
- Vista – Proposed price(s) found to be fair and reasonable compared to previous purchase orders listed in the market research documentation.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

NA

(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:

At this time, with Philips Healthcare providing documentation that they do not sub-contract the performance of the services required, no other actions can be done to eliminate the limited sources justification that is required.

(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.)*

[REDACTED]

[REDACTED]

DATE

[REDACTED]

NAME

Biomedical Engineer

TITLE

FMSL

SERVICE LINE/SECTION

Southern Arizona VA Health Care System(SAVAHCS)

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.

[REDACTED]

Contracting Officer

[REDACTED]

Date

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

[REDACTED]

[REDACTED]

Network Contract Manager 18

Date

Reviewed by:

[REDACTED]

Nathan A. McCoy
Branch Manager – Services Contracting

[REDACTED]

Date