

DEPARTMENT OF VETERANS AFFAIRS

**Justification and Approval (J&A)
For
Other Than Full and Open Competition (>\$150K)**

Acquisition Plan Action ID: VA261-17-AP-0802

1. **Contracting Activity:** Department of Veterans Affairs, VISN 21, Network Contracting Office (NCO) 21

Requiring Activity: VA Southern Nevada Health Care System (VASNHCS)
2237#: 593-17-1-140-0054

2. **Nature and/or Description of the Action Being Processed:** A new firm fixed price contract will be established for the preventative maintenance and repair of Stryker Endoscopy & Communication equipment. These services will be contracted for a base year plus four (4) 1-year option periods.

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for preventative maintenance and repair services and is in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** This contract will be for preventative maintenance and repair services for Stryker Endoscopy and Communication medical equipment in support of the VA Southern Nevada Health Care System (VASNHCS).

Items Include the following:

BNL (Booms & Lights) – qty 41
ORIS (Operating Room Integration System) – qty 14
Suitestream - 9
SDC Ultra – qty 13
1288 HD Camera Control – qty 8
Pneumo Sure XL Insufflator – qty 8
1288 Camera Head & Coupler – qty 15
L9000 Light Source – qty 8
26 IN HDTV Surgical Monitor – qty 10
CORE Console – qty 11
Crossfire Console – qty 7
Flexible Control Unit – qty 7
WISE 26" HDTV Surgical Monitor – qty 2
SDP1000 Printer – qty 13
5.0mm 30deg Ideal Eyes – qty 6
5.0mm 0deg Ideal Eyes – qty 5
5.0mm 45deg Ideal Eyes – qty 2
10.0mm 0deg Ideal Eyes – qty 7
10.0mm 30deg Ideal Eyes – qty 4
10.0mm 45deg Ideal Eyes – qty 2

Ideal Eyes 4.0mm 30deg Arthroscope – qty 6
HD 2.7mm 30deg Stubby Arthroscope – qty 3

Estimated Period of Performance: Base Year: January 16, 2017 – December 31, 2017
Opt. Year 1: January 1, 2018 – December 31, 2018
Opt. Year 2: January 1, 2019 – December 31, 2019
Opt. Year 3: January 1, 2020 – December 31, 2020
Opt. Year 4: January 1, 2021 – December 31, 2021

Estimated Contract Value (including options): \$1,553,275

4. Statutory Authority Permitting Other than Full and Open Competition:

- (X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- () (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;

FAR13.5 Simplified Procedures for Certain Commercial Items: The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):

a. Only One Responsible Source (FAR 6.302-1) – Stryker is the original equipment manufacturer (OEM) and is the only source that possesses specific factory training, authorized repair parts, and the capability to perform certified repairs. Stryker provides a comprehensive maintenance service package called "ProCare" which includes on-site technicians, unlimited maintenance and repair service calls and can provide authentic new parts. Stryker (and all its divisions) has uniquely certified trained technicians and is the only responsible source capable of meeting this requirement. Stryker has the only capability of performing maintenance and repairs with the exclusive use of new OEM parts which are unavailable to independent repair companies. Stryker utilizes proprietary software for maintenance and repair diagnosis of their equipment. Stryker does not authorize or sell this software for use by third party firms.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: The (Stryker) endoscopy and communications medical equipment can only be serviced by Stryker Endoscopy and Stryker Communications. Stryker does not sell or make otherwise available to *any* independent repair companies new or used repair parts of any sort to be used in servicing of Stryker equipment. A notice of intent was posted to the Federal Business Opportunities (FBO) website (November 18, 2016 – November 28, 2016) to provide an opportunity for interested firms that believe they are capable of performing the requirements to respond. One (1) firm responded that they were interested as they employed former Stryker certified employees.

However, further discussion found that these employees do not have current Stryker certification and are not a viable firm to fulfill the requirements.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Government anticipates receiving and/or negotiating a fair and reasonable price with the contractor. The Government will utilize historical pricing information as well as other methods, such as utilizing Bureau of Labor Statistics (BLS) industry data to analyze the proposed and negotiated pricing to ensure fair and reasonableness prior to finalizing the contract.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** As described in Section 6 above, market research, in accordance with FAR Part 10, was conducted by synopsis of the proposed acquisition, advising industry of pending acquisition and soliciting inquiries from interested parties.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** In addition to the FBO Sources Sought notification, a request for information (RFI) was posted to GSA eBuy to solicit GSA contract holders who may be interested in the requirement. No positive responses were received. Also, Stryker did provide an official letter communication indicating that they do not authorize third-party vendors to work on their equipment and that any vendors providing such service would be using non-factory authorized parts or parts scavenged from other Stryker equipment.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

As described in Section 6 above, one (1) firm responded to the sources sought notification, however, after further discussions, it was found that this firm is not a viable resource to fulfill the requirements due to not having current certified Stryker employees, the ability to obtain OEM parts, or authorization from Stryker as a third party to perform the work. Stryker is the only vendor that can perform the requirements and has confirmed this in writing.

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:

None at this time. Market conditions will be reviewed prior to exercising options to see if they have changed. Stryker Endoscopy and Communications would have to authorize other third party firms to repair their equipment in the future for this to be a competitive requirement.

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.

Justin Marquardt
Chief Biomedical Engineering
VA Southern Nevada Health Care System

12/1/16

Date

13. **Approvals in accordance with the [VHAPM, Volume 6, Chapter VI: OFOC SOP](#).**

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

_____	12/1/2016
Mark J. Mikus	Date
Branch Chief	
NCO 21 Services Branch 1	

- b. **Director of Contracting /Designee (Required over\$150K but not exceeding \$700K)**: I certify the justification meets requirements for other than full and open competition.

_____	12/01/2016
Samuel Harbin	Date
NCO21 Director of Contracting	

- c. **VHA SAO HCA Review and Approval**: I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval (if over \$13.5 million) or approve (\$700K to 13.5 million) for other than full and open competition.

_____	12/07/16
Delia A. Adams MBA, CPCM	Date
Director, SAO-West	
Head of Contracting Activity (HCA)	