

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 516-17-2-2071-0209

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: Provide original manufacturer's name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer/Contractor: Siemens Medical Solutions USA, Inc.

Manufacturer/Contractor POC & phone number: Holly Harmon, 407-284-8374

Mfgr/Contractor Address: Siemens Medical Solutions USA, Inc, 40 Liberty Blvd, Malvern, PA 19355

Dealer/Rep address/phone number: Same

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

C.W. Bill Young VAMC

Radiology/ Nuclear Medicine

10,000 Bay Pines Blvd

Bay Pines, FL 33744

VISN: NCO 8

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

This is a limited source request under FAR 8.405-6(a)(1)(i)(B) for a new fixed priced contract to provide all repair parts, service, preventive maintenance, transportation, and system updates including software utilizing Siemens Medical Solutions USA, Inc's VA National Acquisition Center (NAC) schedule V797P-6029B, a priority source, for the Siemens' Espree 1.5T Magnetic Resonance Imager (MRI), Verio 3.0T MRI and the syngo.MR radiotherapy software currently installed at the C.W. Bill Young Veterans Affairs (VA) Medical Center (CWBYVAMC). The Period of Performance (POP) is 12 months (03/31/2017 – 03/30/2018). The period of performance is funded via 2237#: 516-17-2-2071-0209.

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

The contractor shall provide all repair parts, service, preventive maintenance, transportation, and system updates including software for the Siemens Espree 1.5T Magnetic Resonance Imager, EE # 63767, Serial #273344, Siemens Verio 3.0T Magnetic Resonance Imager, EE # 79536, Serial #21303881, and Siemens syngo.MR radiotherapy software, all installed and located at the C.W. Bill Young VAMC, Bay Pines, Florida. The MRI(s) are located building 100, room 1E290. The system maintenance includes all portions of the system, including the system control computer, all workstations associated with the MRI, the MRI, cryogenics, cryogen pump, the chiller, and coil coverage. This includes the software that resides on the system work stations along with unlimited phone applications assistance will be included

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to include remote diagnostics. The contractor must be an authorized Siemens parts and service provider and have direct access to all levels of proprietary diagnostic software to provide all OEM software updates and upgrades. The Siemens' field service engineer must respond by phone within 30 minutes and respond on-site within 4 hours to correct the problem.

(b) ESTIMATED DOLLAR VALUE:

	Period of Performance	Estimated Price
Base Year	03/31/2017 to 03/30/2018	\$281,440.92

(c) REQUIRED DELIVERY DATE: The POP is 12 months (03/31/2017 – 03/30/2018).

(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.

N/A

☒ A patent, copyright or proprietary data limits competition. The proprietary data is: Siemens parts, equipment, and software are proprietary. Although there are other authorized parts/equipment distributors and independent service organizations (ISOs), only Siemens is authorized to provide proprietary software updates and upgrades for their equipment, and no other software has been validated for these systems.

☐ These are "direct replacements" parts/components for existing equipment.

N/A

☒ 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. Siemens parts, equipment, and software are proprietary. Although there are other authorized parts/equipment distributors and independent service organizations (ISOs), only Siemens is authorized. The responding field service engineer must be factory trained to service, calibrate and complete repairs on Siemens Medical Solutions equipment and have direct access to all levels of proprietary diagnostic software, and OEM parts to ensure that the equipment functions at OEM specifications, CDRH standards, and meets all compliance testing criteria at all times.

☐ 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.

N/A

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

N/A

(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:

Price reasonableness is based on price comparison against prior purchases, market research, IGCE, and the pre-priced NAC Schedule pricing. The estimated annual price of this requirement is \$281,440.92. The previous task order VA248-14-F-4606, cost \$252,968.00. This represents an 11% price differential, of that, 7.55% of this additional cost is due to the task order not including the maintaining the syngo.MR radiotherapy software that was installed during this task order performance period. Other recent comparable task orders include V797P-6029B /VA248-16-F-1638 (VA BA Pines Florida), awarded on 04/21/2016 for \$231,916.85; V797P-6029B/VA248-14-F-0241 (VA Bay Pines Florida), awarded on 11/14/2013 for \$177,371.00; and V797P-6029B/VA255-15-F-3154 (VA Leavenworth Kansas), awarded on 4/21/2015 for \$188,060.00.

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

Market research was conducted using NAICS code 811219 and the PSC of J065 via Federal Business Opportunities (FBO), SBA's Dynamic Small Business website, SAM, NAC tools, GSA Advantage, NASA SEWP, and VETBIZ. Priority sources within the VA NAC Med/Surge catalog were also consulted to locate sellers of Siemens imaging systems maintenance services and it has been determined that Siemens is the only company capable of providing these services. Siemens' is the sole manufacturer of these imaging systems and as the manufacturer it sells specific parts for use in the maintenance of these systems. Only Siemens' service technicians have access to the proprietary diagnostic software and other tools used in maintaining these imaging systems. No other software is validated for use on these systems. Market research has demonstrated that the only source for providing these services on this highly specialized, proprietary equipment is the manufacturer, Siemens. The VA will utilize Siemens Medical Solutions USA, Inc.'s VA National Acquisition Center (NAC) schedule V797P-6029B to fulfill this requirement, as it is a priority source.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

The Government will continue to conduct market research to ascertain if there are changes in the marketplace that would enable future actions to be competed.

(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:

There are no other actions that can be taken at this time, as barriers will be removed upon expiration of the priority NAC schedule on 03/31/2016.

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(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*

NAME/AND TITLE

C.W. Bill Young VAMC
FACILITY

12/16/2016

(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.

12/16/2016

CONTRACTING OFFICER'S SIGNATURE

DATE

Matthew M. Lucas, NCO8 Contracting Officer

C.W. Bill Young VAMC

NAME AND TITLE

FACILITY

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

SIGNATURE

DATE

Fadil Keranovic

NAME

NCO 8 Deputy Director of Contracting