

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

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA256-17-AP-4922

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: Philips Healthcare

Manufacturer/Contractor POC & phone number: Joe Crowell, 901-481-3408

Mfgr/Contractor Address: 22100 Bothell Everett Highway MS665 Bothell, WA 98041

Dealer/Rep address/phone number: Joe Crowell, 901-481-3408

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs
G.V. (Sonny) Montgomery VA Medical
Center

VISN:

16

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

This justification and approval document seeks approval for sole source award for the service and maintenance of various imaging systems that the medical center owns to include: radiology, cardiovascular, CT, Xcelera, and MR systems.

This service contract covers mission critical equipment the medical center needs to provide adequate Veteran care. The downtime of any equipment on this list will increase both scheduled Veteran wait times and wait times for emergency orders from providers. In order to mitigate a decrease in Veteran access to care, the medical center requires specific turnaround time frames in the statement of work that only Philips can guarantee. This turnaround time covers not only service support but also OEM replacement part deliveries.

In addition to downtime concerns, the systems on this contract have proprietary software that often requires updates and/or high level technical support. A certified Philips' Field Service Engineer (FSE) is a requirement in order to work on these complex and highly technical systems. Furthermore, Philips Healthcare will only guarantee work done by trained authorized FSEs and require OEM parts for any and all replacements. Philips does not use a small or veteran owned business subcontractor to support Philips manufactured equipment.

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

Philips is the sole proprietor of their software and upgrades which are both necessary for the systems to continue to provide an adequate standard of care for our Veteran population.

Philips provides a certified FSE, support and maintenance both onsite and over the phone, and OEM parts within the medical center's required turnaround time. They are also the sole proprietor of their software and upgrades. All five of these are requirements of this service contract.

The period of performance for this service contract shall be May 1, 2017 through September 30, 2017.

The G.V. (Sonny) Montgomery VA Medical Center owns all of the equipment covered by this procurement, and all of the equipment is located at the medical center.

Philips Healthcare has a VA NAC contract #VA797H-17-D-0022, which is the bases for all pricing in quote# 021717C. Also, individual VA Medical Centers now have delegated authority to place orders for any service contract without a formal DOA letter via MOD P0002. This contract is an IDIQ that includes the service support.

The requirement is for task order to be issued against the VA NAC IDIQ #VA797H-17-D-0022.

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

The estimated value of the proposed action is \$250,067.50

G.V. (Sonny) Montgomery VA Medical Center is requesting the maintenance and repair service for Philips Medical imaging equipment and systems to include: radiology, cardiovascular, CT, Xcelera, and MR systems. The period of performance for this service contract shall be May 1, 2017 through September 30, 2017.

The repair services are requested and based from a pre-negotiated NAC contract VA797H-17-D-0022. Also, individual VA Medical Centers now have delegated authority to place orders for any service contract without a formal DOA letter via MOD P0002.

The following table outlines the needs of the medical center for this procurement.

System/Equipment	Description of Service Needs	Philips Service Plan and Extra Entitlements
DXR - Digital Diagnost Rel 3	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, unlimited access to technical support, wireless detector coverage, and WPD battery coverage.	Assist Wireless Detector Coverage, WPD Battery Coverage
DXR - Digital Diagnost	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and	Assist

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

	unlimited access to technical support.	
IXR - MultiDiagnost Eleva	Priority scheduling for repairs and service calls. Second day response labor and travel, and one hour initial response with four hour on-site response. Next day delivery of all parts by 10:30AM. All parts shall be OEM. Proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support. Also, XR and ii entitlements.	Support XR & ii
IXR - MultiDiagnost Eleva	Priority scheduling for repairs and service calls. Second day response labor and travel, and one hour initial response with four hour on-site response. Next day delivery of all parts by 10:30AM. All parts shall be OEM. Proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support. Also, XR and ii entitlements.	Support XR & ii
IXR - MultiDiagnost Eleva FD	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support.	Assist
IXR - Veradius 1.2 Neo	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support.	Assist
DXR - Mobile Diagnost w DR	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, unlimited access to technical support, wireless detector coverage, and WPD battery coverage.	Assist Wireless Detector Coverage, WPD Battery Coverage
DXR - Mobile Diagnost w DR	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, unlimited access to technical support, wireless detector coverage, and WPD battery coverage.	Assist Wireless Detector Coverage, WPD Battery Coverage
IXR - BV Pulsera	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist
PCR Corado Eleva	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist

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

IXR-BV Pulsera	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist
IXR-BV Pulsera	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist
IXR-BV Pulsera	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist
DXR-DigitalDiagnost 4.1 High Performance	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist
DXR-DigitalDiagnost 4.1 Chest/Emergency	Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist
MR - Intera 1.5T Master	Priority scheduling for all service calls and access to parts inventory. Priority remote service response. All labor and travel covered. One hour initial response with four hour on-site response. All strategic and spare parts that fail during normal use are covered. Next day parts delivery. Proprietary operating system software enhancements without hardware changes.	Protection (M-F 8am-9pm)
MR - Achieva 1.5T	Priority scheduling for all service calls and access to parts inventory. Priority remote service response. All labor and travel covered. One hour initial response with four hour on-site response. All strategic and spare parts that fail during normal use are covered. Next day parts delivery. Proprietary operating system software enhancements without hardware changes.	Protection (M-F 8am-9pm)
CV - XPER FD20	X-Ray tube coverage. Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support	Assist X-Ray Tube Coverage
CV - XPER FD10	X-Ray tube coverage. Priority scheduling for repairs and service calls. Next day delivery of all OEM parts, proprietary operating system software enhancements,	Assist X-Ray Tube

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

	remote desktop service, and unlimited access to technical support	Coverage
CT - Brilliance 64	X-Ray tube coverage. Priority scheduling for repairs and service calls. Second day response labor and travel, and one hour initial response with four hour on-site response. Next day delivery of all parts by 10:30AM. All parts shall be OEM. Proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support.	Support X-Ray Tube Coverage
Ingenuity Core 128	X-Ray tube coverage. Priority scheduling for repairs and service calls. Second day response labor and travel, and one hour initial response with four hour on-site response. Next day delivery of all parts by 10:30AM. All parts shall be OEM. Proprietary operating system software enhancements, remote desktop service, and unlimited access to technical support.	Support X-Ray Tube Coverage
Xcelera R3.x	Software upgrades and updates. Clinical education for all software upgrade and every update. Remote clinical and software support.	
	IntelliSpace Essential SMA w/ Hardware Support	
	Xcelera User 3-5 CU	
	CV U/S Reporting 3-5 CU	
	Xcelera Connect	
	DICOM MWL Site I/F	
	Formatted Echo Results I/F	
	Xcelera Test SW	
	Xcelera Connect Test SW	
	Dell Rack Server	
	Xcelera Connect Server Dell Rack	
	Xc Test hardware Rack Dell	
	Xc Connect Test Hardware Dell Rack	
	Advanced Workstation DELL WIN7	

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

Netgear ReadyNAS 3200 18TB

(b) ESTIMATED DOLLAR VALUE: \$250,067.50

(c) REQUIRED DELIVERY DATE: 5/1/2017

(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. (CHECK ALL THAT APPLY AND COMPLETE)

☒ 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 G.V. (Sonny) Montgomery VA Medical Center requires specific turnaround time frames in the statement of work that only Philips can guarantee. This turnaround time covers not only service support but also OEM replacement part deliveries.

The systems on this contract have proprietary software that often requires updates and/or high level technical support. A certified Philips' Field Service Engineer (FSE) is a requirement in order to work on these complex and highly technical systems. Furthermore, Philips Healthcare will only guarantee work done by trained authorized FSEs and require OEM parts for any and all replacements. Philips does not use a small or veteran owned business subcontractor to support Philips manufactured equipment.

Philips is the sole proprietor of their software and upgrades which are both necessary for the systems to continue to provide an adequate standard of care for our Veteran population.

Only Philips provides a certified FSE, support and maintenance both onsite and over the phone, and OEM parts within the medical center's required turnaround time. They are also the sole proprietor of their software and upgrades. All five of these are requirements of this service contract.

(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:

The price for this service contract is considered fair and reasonable based on the requirements stated in FAR 8.404(d). The NAC has determined the prices for fixed-price services, and rates for services offered at hourly rates are fair and reasonable.

Reference Philip's NAC contract: V797H-17-D-0022.

The contract price is based on IDIQ that was previously competed and is deemed fair and reasonable.

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

The medical center customers reached out to the Philips Healthcare representative and requested if they work through a SDVOB, and they responded, "that they do not". The support services are recurring need and historical contracts have been all completed as sole source requirements, as only one reliable source. The Contracting Officer verified with Philips sales representative and Government representative that all support services and equipment maintenance and repairs shall be conducted by

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

a Philips certified technician on the manufacturer equipment. The EOM does not have any authorized small business or SDVOSB or VOSB certified technicians that can perform support maintenance services. The medical center requires a short turnaround time for: service, maintenance, OEM part delivery, upgrades, and software support cannot be provided by another vendor because they cannot directly provide service or support for the equipment due to the proprietary nature and highly specialized skill set Philips FSEs encompass.

The Contracting Officer reviewed historical contracts, as this is annual recurring service support on the laboratory equipment. The fiscal year 2016 contract VA256-16-F-0031 was reviewed and it was conducted as sole source to Philips as only one reliable source. No previous years contracts were available for review. The Contracting Officer was unable to obtain all necessary documentations required for a new annual service contract for fiscal year 2017, and therefore completed a short-term contract that began in October 2015. The previous historical contracts were awarded against FSS contract, except for the recent two-month order, as awarded against the new NAC IDIQ contract #VA797H-17-D-0022, for the period of March through April 2017. The NAC IDIQ is a new contract that the VA contracting has authority to order against without delegation approvals as stated by the NAC Contracting Officer of the contract. Contracting Officer determined that there are no other vendors except for the OEM that is authorized to perform the services.

(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.)*

Stratton H. Brown

718865

Digitally signed by Stratton H. Brown 718865
DN: dc=gov, dc=va, o=internal, ou=people,
0.9.2342.19.200300.100.1.1=Stratton.H.Brown@va.gov,
cn=Stratton H. Brown 718865
Date: 2017.03.07 15:33:34 -06'00'

03/03/2017

SIGNATURE

DATE

Stratton Brown

Biomedical Engineer

FMS/ Biomedical Engineering

NAME

TITLE

SERVICE LINE/SECTION

G.V. (Sonny) Montgomery VA Medical Center

FACILITY

(10) **APPROVALS IN ACCORDANCE WITH THE VHAPM, Volume 6, Chapter VI: OFOC SOP:** *This part if filled out by Contracting Staff as part of the Justification*

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

DENA A. YOUNG

142748

Digitally signed by DENA A. YOUNG 142748
DN: dc=gov, dc=va, o=internal, ou=people,
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cn=DENA A. YOUNG 142748
Date: 2017.03.07 16:36:06 -06'00'

CONTRACTING OFFICER

DATE

Dena Young, Contracting Officer

Network Contracting Office 16, Fayetteville

OFOC SOP Revision 05

Original Date: 03/22/11

Revision 05 Date: 05/02/2016

Page 7 of 8

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

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.

AARON VILLALPANDO
178014

Digitally signed by AARON VILLALPANDO 178014
DN: dc=gov, dc=va, o=internal, ou=people,
0.9.2342.19200100.100.1.1=aaron.villalpando@va.g
ov, cn=AARON VILLALPANDO 178014
Date: 2017.04.06 10:23:27 -05'00'

SIGNATURE

DATE

Aaron Villalpando
NCO 16 Director of Contracting