

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**Acquisition Plan Action ID: VA256-17-AP-2828**

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: Draeger, Inc

Manufacturer/Contractor POC & phone number: Rick Sullivan 954-391-9361

Mfgr/Contractor Address: 3135 Quarry Rd Telford, PA 18969-1051

Dealer/Rep address/phone number: N/A

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

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs

Chief, A&MM (90C/NLR)

Central Arkansas Veterans HCS

2200Fort Roots Drive,Bldg 41,Room 224

North Little Rock AR 72114 1706

**VISN:**

16

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

Purchase of additional hardware and software implementation in support of the VISN-wide Anesthesia Record Keeper (ARK) System for the new VA Medical Center in New Orleans, LA. The original contract, VA256-14-F-3608, for the ARK System was competitively awarded to Draeger Medical, Inc. against their FSS contract V797P-4081B in 2014. The contract included the current APU environment for New Orleans because both the timeline and specific requirements for the new VAMC were uncertain at time of the procurement and award. The new VAMC in New Orleans is scheduled to open near the ARK implementation timeframe; therefore, it is determined to be in the best interest to by-pass the APU and implement directly into the new facility. This requires additional hardware, software licensing, and implementation requirements that are now identified.

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

Additional MDS-7 clinical workstations running the Draeger Innovian 6.1 product

An increased number of labor hours for implementation and support of the increased number of workstations and clinical software licenses.

Additional interface drivers to capture data from additional physiological monitoring devices.

Added labor hours for training a greater number of individuals at the facilities.



**(b) ESTIMATED DOLLAR VALUE:** \$374,100.36 for base year; \$37,305.04 each for option years 1 and 2, \$61,790.82 each for option years 3 and 4. Grand total = \$572,292.08

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**(c) REQUIRED DELIVERY DATE:** 2/25/17 for base year, 8/1/18 for option year 1, 8/1/19 for option year 2, 8/1/20 for option year 3, 8/1/21 for option year 4

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**(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.

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☐ 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.)

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

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☒ 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.  
VISN 16 awarded a competitive contract to Draeger for the Innovian 6.1 product in 2014. The original contract with Draeger included the current APU environment for New Orleans because both the timeline and specific requirements for the new VAMC were uncertain at time of procurement. The new VAMC in New Orleans is scheduled to open near the ARK implementation so it more advantageous to by-pass the APU and implement directly into the new facility. This requires additional hardware, software licensing, and implementation requirements. This project is nationally driven to be a VISN-centric system; the components at each facility must be the same to allow for VISN-level management and data extraction. Furthermore, the current contract covers all facilities in VISN 16 and has partial requirements fulfilled in several facilities. If a different product was selected, than a provider in one hospital would have to use different systems for the same function depending upon which operating room he or she was working in. These systems would not communicate either, so the same data for the same patient could be displayed in different fields and contexts in different systems, leading to a very high risk to patient safety.

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☒ 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 original VISN-wide contract was competitively awarded in 2014 and this contract would be a logical follow on to the initial award. The procurement will be for additional hardware, software, licenses, etc. that was acquired originally and is needed for a fully supported system for the New Orleans, LA Legacy VAMC. The specific requirements for NOLA were not known at the time of the 2014 award.

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

Excessive delays to implementation of this project could result in additional expenses or reassignment of contractor resources to other projects, which would result in unacceptably long delays. In addition, the contractor already has a previous contract to perform part of the work at this location. This new contract is to provide the additional requirements to implement the Draeger Innovian ARK in the new facility in New Orleans vs. in the current APU environment.

**(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 original contract was awarded to Draeger on a best value basis using published FSS/GSA price schedules. These new additional requirements for New Orleans are in line with these prices and it is therefore reasonable to assume that they would be the best value as well. Regardless, the overall costs of starting over would result in a large sunk cost that would vastly outweigh any possible small savings from a new competition and represent an increase risk to patient safety.

**(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 for the original procurement. However, for this procurement, it is not feasible to compete the requirement. There is no viable path forward with this project unless Draeger is awarded the contract for the additional requirements. If this is not done, then the alternatives are to implement the system in part at New Orleans; which represents a huge risk to patient safety as explained earlier, or to scrap the project entirely and start over. This second option would result in significant loss of funds already spent and would delay the project for an unacceptably long period of time, increasing risks to patient care.

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

This is part of an overarching nationally driven, VISN centered project. Success or failure in VISN 16 will influence success or failure VA-wide. This procurement is an emergency buy as key information affecting requirements and necessary to move forward with procurement was still under development at the site until very recently.

**(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:**


The current contract plus this requested sole source purchase, when combined, will represent a full implementation of a VISN-wide ARK system in accordance with National guidance. At such time as the entire system is considered for replacement, a fully competed acquisition plan will be executed.

**(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.)

2/15/2017

X 

Signed by: DAVID J. SHERRIFF 341007

2/15/2017

SIGNATURE

DATE

David Sherriff

Program Specialist

CAVHS SMS on behalf of VISN 16 CSPO

NAME

TITLE

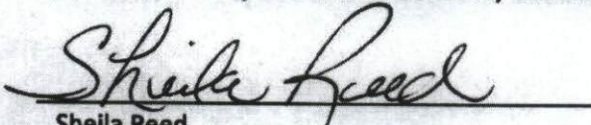
SERVICE LINE/SECTION

CAVHS

FACILITY

**(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.



Sheila Reed

Contracting Officer

Network Contracting Office 16

3/2/2017

DATE

b. **CLAY K JONES 685130** Digitally signed by CLAY K JONES 685130  
DN: dc=gov, dc=va, o=internal, ou=people,  
0.9.2342.19200300.100.1.1=clay.jones@va.gov, cn=CLAY K JONES 685130  
Date: 2017.03.02 10:56:24 -06'00'

Clay K. Jones


Branch Chief, Supply Team

Network Contracting Office 16

DATE

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

David W. Miller  
382161

 Digitally signed by David W. Miller 382161  
DN: dc=gov, dc=va, o=internal, ou=people,  
0.9.2342.19200300.100.1.1=david.miller11@  
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