

Department of Veterans Affairs

Justification and Approval (J&A) for Other than Full and Open Competition (>\$150K)

Acquisition Plan Action ID: VA247-16-AP-8905

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 7, Requesting Office, Logistics justification for Other than Full and Open Competition to provide the Phillips Healthcare TeleICU System for the Ralph H. Johnson VA Medical Center located in Charleston, SC. (Purchase Request # 534-17-1-783-0002)
2. **Nature and/or Description of the Action Being Processed:** The proposed action is for a new requirement yielding a Firm-Fixed Price (FFP) contract for the delivery and installation of the Phillips Healthcare TeleICU System for the Ralph H. Johnson VA Medical Center located in Charleston, SC.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The contractor will be responsible for all service, tools, equipment, personnel, transportation and lodging necessary to install the Phillips Healthcare TeleICU System in each of the nineteen (19) patient rooms of the newly renovated Intensive Care Unit (ICU) of the Ralph H. Johnson VA Medical Center. The period of performance for this action is for one (1) year. The Phillips TeleICU system is a critical telehealth program that combines audio/video technology, predictive analysis, data visualization and advanced reporting capabilities that supports the bedside team and enables reduced mortality, lengths of stays and cost of care.

The total estimated price of the proposed action is: \$156,241.27

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 [41 U.S.C. 253(c) (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;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

The Phillips Healthcare TeleICU Program is currently operated by VISN 10, which monitors sites in VISN 7 under a license agreement with Phillips, originally dated 9/13/2013. The TeleICU Program is comprised of proprietary software and support services. Licenses to expand the TeleICU Program and the services necessary to support it are available only from Phillips Healthcare. No other vendor is authorized to license or support the Phillips TeleICU Program.

Operation of the TeleICU Program requires audio/video platform based on Phillips' specifications and powered by Vidyo. York Telecom Corporation is the only Value-Added Reseller (VAR) certified by Phillips Healthcare to assemble, install and support the Vidyo-based in-room and mobile A/V devices required to operate the TeleICU Program.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** As stated in the Vendor's Certification of Sole Source Memo, York Telecom Corporation is the only VAR certified by Phillips Healthcare; no other vendor is authorized to license or support the Phillips Healthcare TeleICU Program.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Independent Government Cost Estimate (IGCE) was developed based on the most recent data determined to fulfill the Government's requirement. Historical pricing was obtained from the Federal Procurement Data Systems (FPDS) website that identified three (3) previous contract awards for similar services provided at VA Medical Centers within the past year.

The VA Maine Healthcare System located in Augusta, ME awarded Contract VA241-16-P-1834 on 9/16/2016 totaling \$151,517.64; The Mountain Home VA Medical Center located in Johnson City, TN awarded Contract VA249-16-F-2984 on 6/20/2016 totaling \$184,671.80; and the Louis A. Johnson VA Medical Center located in Clarksburg, WV awarded Contract VA244-16-F-6504 on 9/6/2016 totaling \$202,326.56.

Based on historical data within the past twelve (12) months and the IGCE that was submitted with the procurement request, the anticipated cost to the Government is found to be fair and reasonable.

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 VI above, market research, in accordance with FAR Part 10, was conducted by synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** York Telecom Corporation is the only trusted video integration and managed service partner for the Philips e-Care Manager Implementation in dozens of VA Healthcare Systems, to include VA Medical Centers in Veterans Integrated Service Network (VISN) 7, 10, 15, 20 and 23.

Additionally, York Telecom Corporation is the only trusted company to provide a product that can interface with Phillips Healthcare that also has conferencing capabilities, which would allow multiple clinicians to access the same room simultaneously and all have the ability of both hear and speak to all other users in the room. Furthermore, this equipment is able to provide the desired network traffic tagging approach that the Office of Information Technology (OIT) considers vital moving forward with the TeleICU Program. York Telecom Corporation is the only vendor that can provide the necessary equipment to interface with the Philips Healthcare proprietary software e-Care Manager which is used throughout the TeleICU Program. The cost of adding equipment to the current infrastructure is far less than replacing all TeleICU software.

10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** The Notice of Intent to Sole Source was posted to the Federal Business Opportunities (FBO) website on March 6, 2017 with a deadline to respond to the requirement no later than March 9, 2017. No responses were received during this time.

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:** The VA Healthcare System Serving Ohio, Indiana and Michigan participated in extensive proof of concept testing with Philips and York Telecom Corporation at VA Hospitals located in Minneapolis, MN; Spokane, WA; and Washington, D.C. and determined that the equipment provided a significant improvement in audio visual quality across large distances.

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.

Lucas J Marsh
417454

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4-4-2017

Lucas J. Marsh
Chief, Biomedical Engineering
Ralph H. Johnson VA Medical Center

Date

Approvals in accordance with the VHAPM, Volume 6, Chapter VI: OFOC SOP.

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.

Steven B.

Bentley 694599

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Steven B. Bentley
Contracting Officer, NCO 7
Ralph H. Johnson VA Medical Center

Date

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

Prudence Y. Howard

NCO 7 Director of Contracting/Designee
Ralph H. Johnson VA Medical Center

Date