

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA248-17-AP-7244

- 1. Contracting Activity:** Department of Veterans Affairs, NCO-8, Miami VA Healthcare System. Justification for Other than Full and Open Competition; Purchase Request Number: 546-17-2-122-0088.
- 2. Nature and/or Description of the Action Being Processed:** This request is to award a contract between the Miami VA Healthcare System (MVAHS) and Karl Storz for OR 1 System Services as described for the items in #3 below. The original purchase of the equipment included a warranty which has since expired hence a requirement for a new services contract was submitted to Contracting by the Surgery Service.
- 3. Description of Supplies/Services Required to Meet the Agency's Needs:** The proposed action is to provide maintenance and repair services for already procured Karl Storz OR1 equipment systems which require calibrations, proprietary software updates, preventive maintenance, and emergency repair services per the original equipment manufacturer's specifications. Karl Storz OR1 System Equipment Services are inclusive of twelve (12) operating rooms. The services include but are not limited to: (OR1-SN:1003144, OR2-SN:1003197, OR3-SN:1003203, OR4-SN:1003202, OR5-SN:1003198, OR6-SN:1003174, OR7-SN:1003204, Cysto1-SN:1003142, Cysto2-SN:1003143, Path Lab –SN:1003206, VCC/NC3 # SN:1003205) integrated video, audio and imaging capabilities, integration of Karl Storz imaging systems for laparoscopic and other surgeries to several display monitors in each operating room- includes any component of the entire surgical environment – endoscopic devices, video and data sources, and peripheral devices such as the surgical table or ceiling lights- all items are controlled from a central location. Teleconferences, telesurgery, and teaching events are conducted for audiovisual networking and integration of the OR into existing hospital information systems. On site preventive maintenance of the OR1 Integration system, full functional testing, adjustment and calibration of all system components; complete cleaning of all included equipment; minor trouble shooting; and reporting, audio and video equipment, signal routers, flat screen monitors, touch panels, inclusive of racks. All on-site repair visits throughout the term of the contract shall be at no additional charge for any replacements or parts (turn-key). E-Learning licenses at a quantity of two per room, full customer Service. The contractor shall ensure video/equipment, endoscopes and instrumentation are efficiently managed and properly maintained to achieve standard of care and patient safety priorities, operational efficiency goals, and asset longevity, minimizing damage risks/events and reducing repair/replacement expenses.

These units are estimated to be serviced for \$72,000.00 per year for a total estimated contract value of \$360,000.00: one (1) twelve (12) month base plus four (4) twelve (12) month options to renew from the effective date of an awarded contract.

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

- (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy
 - a. 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
 - b. 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 (b)(6);
- (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 Original Equipment Manufacturer (OEM) is the only source capable of providing the services required to make certified maintenance services, repairs, and supply specialized parts. The hospital must have functional medical equipment that is used for specialty patient procedures. Karl Storz is the proprietary manufacturer and exclusive distributor of these specific OR1 patient care systems which are utilized for diagnosis, critical studies, and to conduct surgery. The level of maintenance and repair is highly specialized and critical/considered as a highly litigated modality. Karl Storz use manufacturer trained service technicians in performing highly specialized services on the equipment systems which require calibrations, proprietary software updates, preventive maintenance, and emergency repair service per the manufacturer specifications. These service technicians have full and complete access to OEM parts and proprietary software to initiate maintenance and repair.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

Internet searches, phone calls, industry engagement to include but not limited to searching GSA, FBO, FPDS, VIP, and the contact of local providers yielded no firms were capable of meeting the Governments minimum requirement. A letter was received from Karl Storz confirming sole proprietary rights; there are no other service providers.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

Prior to award a price reasonableness determination will be processed and inserted into the eCMS briefcase. This will be based on historical purchases for the same or like items throughout the VA. Additionally, an IGCE has been produced by the using service which can also be utilized.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

See #6 above. Past efforts by the VA in locating a third-party vendor have resulted in no additional sources other than the manufacturer. Third party companies do not have access to the necessary resources and cannot complete maintenance/repair work on these type of highly specialized medical equipment items. Also see #5 above.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** Not applicable.

10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Not applicable.

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:** Until the market becomes saturated with non OEM servicers this particular requirement will be a sole source requirement of the Miami VA Healthcare System.