

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval (J&A)
For
Other Than Full and Open Competition (>\$150K)

Acquisition Plan Action ID: VA248-17-AP-10063

1. **Contracting Activity:** Department of Veterans Affairs (VA), Network Contracting Office – 8 (NCO – 8), 8875 Hidden River Pkwy, Suite 525, Tampa, FL 33637, working on behalf of Veterans Integrated Service Network - 8 (VISN - 8), Biomedical Engineering Department requests Justification for Other than Full and Open Competition (JOFOC).

2. **Nature and/or Description of the Action Being Processed:** This procurement is for urgent Service & Repairs of Siemens Healthcare Solutions (Siemens) branded High Tech Medical Equipment (HTME) as found in the VISN – 8 Smartpool inventory in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

NCO-8 will award a Blanket Purchase Agreements (BPA) for VISN-8 with the purpose of providing repair services for equipment listed in the VISN 8 Smartpool inventory from Original Equipment Manufacturer (OEM) Siemens Medical Solutions USA, Inc. This JOFOC is for the award of a BPA for up-to one year, which covers the period of May 10, 2017 through May 9, 2018. This is a standardization effort for NCO - 8 and the VA. The proposed total contract value is estimated at \$700,000.00

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** VISN - 8 requires urgent repair service for Siemens branded HTME, which is highly specialized state of the art medical equipment. Siemens HTME is used in direct patient care for diagnosis, studies, and life sustaining treatment of Veteran patients throughout VISN-8.

It is of the utmost importance that HTME functions optimally at all times. This precision equipment requires calibrations, proprietary software upgrades/updates, maintenance, diagnostic and emergency repair services per the OEM's specifications. This BPA will function as the single source for VISN-8 to expeditiously repair this highly specialized patient care equipment and will ensure timely repair.

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

(X) Simplified Procedures for Certain Commercial Items per FAR 13.5

FAR13.5 Simplified Procedures for Certain Commercial Items: *The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).*

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

Siemens Medical Solutions USA, Inc. is the proprietary manufacturer and distributor of their HTME which is utilized for diagnosis, critical studies and life sustaining treatments. The level of repair is highly specialized and requires technicians with specialized certification for the repair of HTME for direct patient care and diagnosis. Siemens employs manufacturer trained service technicians who

perform highly specialized services on their HTME which require calibrations, proprietary software upgrades, updates, and emergency repair service per the manufacturer specifications. Siemens service technicians have full and complete access to OEM parts and proprietary software to initiate repair.

It is critical that VISN-8 Medical Centers have reliable, safe, and operational medical equipment that is used for specialty patient procedures. The urgent and time sensitive nature to quickly repair HTME is extremely important for continuity of patient care and the overall mission of VA.

Siemens HTME is highly sophisticated and must operate with exact precision. From time to time, this equipment requires unexpected ad hoc repairs as components break, malfunction, or become inoperative. It is impossible to know exactly when HTME will need these ad hoc repairs. However, the government recognized that these instances will occur. When unexpected repairs are needed, this BPA will be an expeditious method for the Medical Centers of VISN-8 to quickly and efficiently return Siemens HTME to fully operational and minimally impacting the mission of VA.

At this time, the issuance of a full and open solicitation would cause a delay in contract award thus creating an interruption in timely repair of equipment. Emergency HTME repair calls have caused the Government financial and administrative burden. As a result, diagnosis and treatment of VISN-8 Veterans would be impacted as patients would be required to seek treatment at outside medical centers with properly functioning HTME.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Preliminary market research was conducted by the customer to include internet web searches and previous emergency repair contracts for same/similar services. The Contracting Office conducted additional market research. This included phone calls to engage industry, internet web searches, GSA library, FedBizOpps, Federal Procurement Data Systems, VIP VetBiz and previous contracts/historical data based on Siemens HTME procurements.
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 FAR 13.106-3, and historical purchases for the same services and items throughout VISN-8, price comparisons to private industry services, and/or a comparison of HTME repairs to ensure that VISN 8 is paying a fair and reasonable price for all HTME related repair services. The CO will be required to justify fair and reasonable pricing on each HTME procurement. This fair and reasonable determination will be on a separate memo for record (MFR) and the CO will work with the subject matter experts (SMEs) who will provide an Independent Government Cost Estimate (IGCE) and the CO will ensure the prices proposed are fair and reasonable prior to award.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research confirms that Siemens Medical Solutions USA, Inc., who is the Original Equipment Manufacturer, is the most expeditious method for a short-term repair services contract on their proprietary High Tech Medical Equipment.

NCO-8 issued a sources sought on GSA e-Buy on February 17, 2017 with a response date of February 23, 2017. The sources sought were issued to six hundred and eleven (611) vendors under

SIN 65 categories A-200 and A-50; equipment maintenance category.

The results from the sources sought were thirty six (36) responders with no response or contractor unable to provide equipment support. A search on Vetbiz.gov was conducted using NAICS code 811219 – other electronic and precision equipment repair and maintenance. The results revealed one hundred sixty five (165) total Service Disable Veteran Owned Small Business (SDVOSB) and Veteran Owned Small (VOSB). A request for information was sent to one hundred and eleven (111) of the prospected vendors. The remaining vendors were not selected as these companies were listed as construction or real estate contractors. The Contracting Officer received four SDVOSB responses and one VOSB response all of whom provided capability statements.

On January 19, 2017 Request For information was posted to FBO, which resulted in five SDVOSB, one VOSB, one WOSB and three large business responses.

As a result of industry responses, the CO elected to host an industry day on February 25, 2017. Seven SDVOSB's, one VOSB, one Woman Owned Small Business (WOSB), and three large businesses participating in the event all with the potential capability to support all OEM's HTME list in the VISN-8 Smartpool inventory.

The government issued a solicitation set-aside for SDVOSB's in March 2017 for a long-term contract to support Philips Branded HTME. The government received two competitive quotes from capable responsible SDVOSB's in April 2017. It is the intent of the government to award a contract to the lowest priced technically acceptable quote effective May 2017. The government will continue to work to towards ultimately awarding competitive long-term contracts for the repair of all HTME Smartpool Equipment. In the meantime, it is in the best interest of the government and direct patient care to award a short-term BPA as a single source vehicle for timely repair of Siemens HTME.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

The government will issue a solicitation as an SDVOSB set-aside utilizing cascading procedures to allow both small and large business participation. In the interim, it is the intention of the Government to award a sole-source BPA for a maximum of one-year to the OEM for the short-term. This is done with the intention of standardizing repair services for VISN-8 HTME repair. This effort will work towards a long-term contracting solution that will fulfill the government's need while promoting competition to the maximum extent practicable.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

- Financial Field Services, LLC, WOSB
- Torres & Associates Inc., SDVOSB
- Sustainment Technologies, SDVOSB
- Bitterroot Services & Technology, SDVOSB
- iMed Biomedical, Inc., SDVOSB
- Alliant Healthcare Products, LB
- AmVet Medical Technologies DBA AMT, VOSB
- CJ Turner Inc. DBA Capitol City Rehabilitation Group, SDVOSB
- Philips Healthcare, LB
- GE Healthcare, LB
- Crothall Healthcare Technologies Solutions, LB
- Remi Group, LB

- Mount State Biomed, SDVOSB

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 Government intends to post this Justification for Other than Full and Open Competition to www.fedbizopps.gov, which will allow industry an opportunity to understand the government's need and potentially submit their capabilities to fulfill this need. It is the intent of the Government to create a long-term contract for repair of VISN-8 Smartpool HTME that will promote competition and offer the best value for the Government all while keeping patient care a top priority.

12. 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.

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

a. **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.

Johnny Jones
Contracting Officer
Network Contracting Office 8, Site Team Tampa, FL

05/17/2017