

**LIMITED SOURCES JUSTIFICATION**

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA248-17-AP-12778

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:

Manufacturer/Contractor: GE Healthcare, a Division of General Electric Company  
Manufacturer/Contractor POC & phone number: [REDACTED]  
Mfr/Contractor Address: 3000 N. Grandview Blvd  
Dealer/Rep address/phone number: [REDACTED] 150 Brinegar Circle, Tampa, FL 33647, [REDACTED]

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

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

Department of Veterans Affairs  
C.W. Bill Young Medical Center  
Network Contracting Office 8  
10000 Bay Pines Blvd.  
Bldg. 2 Room 325

VISN: 08

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

This is a limited source request under FAR 8.405-6(a)(1)(i)(B) for a new fixed priced task order to provide all repair parts, service, preventive maintenance, transportation, and system updates including software utilizing the VA National Acquisition Center (NAC) contract VA797H-17-D-0024 with General Electric Company. This contract represents a priority source for the Department of Veterans Affairs, providing the hardware and software preventive maintenance associated with the General Electric manufactured high-tech medical imaging systems listed in the table below currently installed at the C.W. Bill Young Veterans Affairs (VA) Medical Center (CWBYVAMC) and the Lee County Healthcare Center (LCHCC). The Period of Performance (POP) is 12 months (10/01/2017 through 09/30/2018) with three, one-year options. The period of performance is funded via 2237#: 516-18-1-2071-0006.

EE#	DESCRIPTION	LOCATION	SERIAL #
EE#87701	1.5T Optima MR450W	LEE COUNTY	239VA450MR
EE#110847	Discovery NM 630	LEE COUNTY	239VAMR2

EE#51807	Lightspeed VCT XT 64 Slice	BAY PINES	727398VCT
EE#71354	Innova 4100 (SP2)	BAY PINES	727398SPEC2
EE#99363	Discovery GP 750 HD	BAY PINES	727398HD750B
EE#107285	Discovery NM 630	BAY PINES	727398D630A
EE#109444	Discovery NM 630	BAY PINES	727398D630C

(3) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:  
The contractor shall provide all repair parts, service, preventive maintenance, transportation, and system updates including software for the high-tech medical imaging systems identified in the table above and installed and located at CWBYVAMC and the LCHCC. The system maintenance includes all portions of the system, including the system control computer, all workstations associated with the to include remote diagnostics. The contractor must be an authorized General Electric parts and service provider and have direct access to all levels of proprietary diagnostic software to provide all OEM software updates and upgrades.

(a) ESTIMATED DOLLAR VALUE:



(b) REQUIRED DELIVERY DATE: October 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.

☐ 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.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is: General Electric Company parts, equipment, and software are proprietary. Although there are other authorized parts/equipment distributors and independent service organizations (ISOs), only General Electric Company is authorized to provide proprietary software updates and upgrades for their equipment, and no other software has been validated for these systems.

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

☒ 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.

General Electric Company parts, equipment, and software are proprietary. Although there are other authorized parts/equipment distributors and independent service organizations (ISOs), only GE is authorized. The responding field service engineer must be factory trained to service, calibrate and complete repairs on the General Electric manufactured equipment and have direct access to all levels of proprietary diagnostic software, and OEM parts to ensure that the equipment functions at OEM specifications, CDRH standards, and meets all compliance testing criteria at all times.

☐ 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.

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

**(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:**

Price reasonableness is based on price comparison against prior purchases, market research, IGCE, and the pre-priced NAC schedule pricing under contract VA797H-17-D-0024. The estimated annual price of this requirement is [REDACTED] with a total estimated value of [REDACTED]. The previous NAC task order V797P-6019B VA248-15-F-2800, cost [REDACTED] for eight of these assets located at Bay Pines only. This requirement now has 13 high-tech imaging assets, leading to a proportional estimated cost of [REDACTED] per year. Again, this is a proportional estimation offering a basic yardstick measuring the service cost year over year. Additionally, the VA's National Acquisition Center (NAC) has already determined the prices of supplies and fixed-price services to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required. The Contracting Officer's price evaluation will also include a comparison of prices established under other NAC task orders for the same or similar services, for example V797P-6029B VA248-14-F-4606 in the amount of [REDACTED] providing service for three years with a competitor, Siemens. Other recent comparable task annual orders with similar amounts of HTME being covered include V797P-6029B /VA248-16-F-1638 (VA BA Pines Florida), awarded on 04/21/2016 for [REDACTED] V797P-6029B/VA248-14-F-0241 (VA Bay Pines Florida), awarded on 11/14/2013 for [REDACTED] and V797P-6029B/VA255-15-F-3154 (VA Leavenworth Kansas), awarded on 4/21/2015 for [REDACTED]

**(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 using NAICS code 811219 and the PSC of J065 via Federal Business Opportunities (FBO), SBA's Dynamic Small Business website, SAM, NAC tools, GSA Advantage, NASA SEWP, and VETBIZ. Priority sources within the VA NAC Med/Surge catalog were also consulted to locate sellers of General Electric Company imaging systems maintenance services and it has been determined that General Electric Company is the only company capable of providing these services. General Electric is the sole manufacturer of these imaging systems and as the manufacturer it sells specific parts for use in the maintenance of these systems. Only General Electric Company's service technicians have access to the proprietary diagnostic software and other tools used in maintaining these imaging systems. No other software is validated for use on these systems. Market research has demonstrated that the only source for providing these services on this highly specialized, proprietary equipment is the manufacturer, General Electric Company. The CWBYVAMC will utilize a task order to the VA National Acquisition Center's (NAC) contract VA797H-17-D-0024 to fulfill this requirement, as it is a priority source.

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

It should be known that the VA already has extensive sunk costs exceeding [REDACTED] relating to General Electric Manufactured equipment referenced in the preceding table. Replacement of equipment would exceed greatly this amount. A change in manufacturers would also necessitate additional procurement costs, training and testing to be conducted for the new equipment. Additionally, a recent and relevant sources sought notice was posted for the repair of GE manufactured high-tech medical equipment (HTME) under VA24815N1710, published on fbo.gov during the period 07/23/2015 through 07/29/2015. The result of the sources sought confirmed that this is a limited source procurement under FAR 8.405-6(a)(1)(i)(B). Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized. All of the responses to the sources sought identified the subcontracting to GE personnel to participate in the repair process, especially surrounding the software and the updates that occur to the equipment as the GE service technicians are the only ones to have access to the highest level of proprietary diagnostic software and the associated updates as they become available. No other software has been validated for these systems.

**(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:**

Based on market research and the other reasons mentioned above no further actions were taken. The services being provided are only for the CWBYVAMC and the LCHCC. In the future, we will continue to seek other sources of these 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.)*

11 July 2017  
DATE

Supervisory Biomedical Equipment Support Specialist  
TITLE

Biomedical Engineering Service  
SERVICE LINE/SECTION

C.W. Bill Young VAMC  
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.

07/11/2017

DATE

NCO 8

FACILITY

Mathew M Lucas/ Contracting Officer

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