

JUSTIFICATION
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)
Office of Acquisition Operations
Technology Acquisition Center
23 Christopher Way
Eatontown, NJ 07724
2. Description of Action: The proposed action is to award a Firm-Fixed-Priced Delivery Order task order against the National Aeronautics and Space Administration (NASA) Solutions for Enterprise Wide Procurement (SEWP) V Governmentwide Acquisition Contract (GWAC) for brand name or equal server and storage area network (SAN) refresh, which includes a brand name Philips, Inc. (Philips) support services component.
3. Description of the Supplies or Services: VA Veterans Health Administration (VHA) Veteran Integrated Service Network (VISN) 23 has a requirement to upgrade the system hardware currently utilized to support VA's Clinical Information System (CIS) and Anesthesia Record Keeper (ARK) system deployed throughout eight (8) medical centers in VISN 23 to optimize performance and replace outdated hardware. This requirement has been written to allow for brand name or equal HP Proliant servers and SAN hardware, however VA requires brand name Philips services to configure the servers which will host a highly sophisticated medical system comprised of Philips software that is integrated with Veterans Information Systems and Technology Architecture (VISTA)/Computerized Patient Record System (CPRS), Bar Code Medication Administration (BCMA), and VISTA IMAGING patient record systems, which is qualified by the Food and Drug Administration (FDA) as a medical device. Included with the procurement of the hardware shall be a 5 year manufacturer's warranty. As part of these services Philips will provide VA with installation, configuration, and transition service support. The period of performance for this effort shall be 12 months from date of award.
4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c)(2) as implemented by the Federal Acquisition Regulation (FAR) Subpart 16.505(b)(2)(i)(B), entitled "Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized."
5. Rationale Supporting Use of Authority Cited Above: Based on market research, as described in section 8 of this document, it has been determined that limited competition is viable among authorized resellers for the required Philips support services required. Specifically, only Philips is able to configure the hardware to the parameters required by the proprietary Philips software that will reside on this hardware to be procured as part of this effort. When configuring server systems for a 510K FDA medical system, it is critical that the medical system manufacturer have full control and handling of the specific setup for operation and interoperability with VISTA, VISTA Imaging, and critical medical devices within the direct patient care setting. Interfacing between all of these direct patient care systems is critical to the function and ultimate success in full

capabilities of the clinical information system and is a unique integral part of the FDA approved system. Only the manufacturer or its authorized resellers have access to these specifications/proprietary code, and are therefore the only entities able to provide the necessary configuration support. Furthermore, all work must be performed in accordance with International Organization for Standardization(ISO) 9001 and 13485 manufacturing standards for medical systems and thus Philips is the only source that has the correct qualifications to complete the work properly for this specific medical system.

Without the utilization of the services from Philip, there is greatly increased risk that the servers will not be correctly configured, and therefore the medical device software will not properly function, thereby putting patients at risk. Therefore, VA must procure these services as described above.

6. Efforts to Obtain Competition: Market research was conducted, details of which are in the market research section of this document. This effort did not yield any additional sources that can meet the Government's requirements for the Philips services. Included with this procurement is the requirement for brand name or equal HP ProLiant servers, for which there are multiple sources available that can provide the brand name or equal hardware. Therefore limited competition anticipated for this acquisition. In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), the award notice for this action will be synopsisized on the Federal Business Opportunities Page (FBO) and the justification will be made publicly available within 14 days of award.

7. Actions to Increase Competition: The Government will continue to conduct market research to ascertain if there are changes in the market place that would enable future actions to be competed.

8. Market Research: Through April 2017, the Governments technical experts conducted market research via internet searches to identify similar service providers that can perform installation, configuration, and transition service support. While there are numerous vendors that can perform these general capabilities, no other source, other than Philips can properly configure the servers as detailed in section 5 of this justification. Additional market research was conducted, and it was determined that limited competition is viable for this effort among resellers under the NASA SEWP V GWAC.

9. Other Facts: N/A