

DEPARTMENT OF VETERANS AFFAIRS

Justification For Other Than Full and Open Competition

1. Contracting Activity:

Department of Veterans Affairs (VA)
Office of Acquisition Operations
Strategic Acquisition Center
10300 Spotsylvania Avenue, Suite 400
Fredericksburg, VA 22408

2. Nature and/or Description of the Action Being Approved:

Approval is sought, and as evidenced by the approval below, is obtained for the award of a sole-source commercial Firm Fixed Price (FFP) contract to upgrade and expand site services of the current Spacelabs Healthcare LLC patient monitoring system at the John D. Dingell VA Medical Center (VAMC) in Detroit, MI. This contract shall ensure the delivery and install of a patient monitoring system within two (2) months of contract award. This requirement has a total estimated maximum value of \$2,875,000.00 which consist of commercial items, therefore, procedures outfield in FAR 13.5 are being used.

3. Description of Supplies/Services Required to Meet the Agency's Needs:

The VISN 11 John D. Dingell VAMC, Detroit, MI. requires Spacelabs Healthcare LLC to provide all necessary labor, management, supervision, technical skills, quality control, materials, software, and equipment necessary to complete upgrade and expansion site services of the current Spacelabs Healthcare LLC patient monitoring system. All requested installation site services, additional server installation, clinical configuration, software upgrades, and additional hardware installation shall operate and be compatible with the existing Spacelabs Healthcare LLC patient monitoring system equipment. The upgraded patient monitoring system will allow clinicians and staff new functionality which will assists with accurate & precise monitoring of patient information using bedside monitors, a central station, remote alarm management, telemetry and other associate accessories throughout various departments. This system is proprietary in nature and must be handled by a contractor whom displays access to OEM parts, software licensing, and servers/databases.

- ICU equipment upgrade (includes new monitors, ECG leads, SPO2 sensors, various wall mounted supplies, initial training and support, minimal telemetry upgrades, initial equipment spare parts, software, and installation).
- Radiology equipment upgrade (includes new monitors, ECG leads, SPO2 sensors, various wall mounted supplies, initial training and support, minimal telemetry upgrades, initial equipment spare parts, software, and installation).

- GI equipment replacement (includes new monitors, ECG leads, SPO2 sensors, various wall mounted supplies, initial training and support, minimal telemetry upgrades, initial equipment spare parts, software, and installation).
- Department of Surgery equipment upgrade (includes new monitors, ECG leads, SPO2 sensors, various wall mounted supplies, initial training and support, minimal telemetry upgrades, initial equipment spare parts, software, and installation).
- Respiratory Care equipment upgrade (includes new monitors, ECG leads, SPO2 sensors, various wall mounted supplies, initial training and support, minimal telemetry upgrades, initial equipment spare parts, software, and installation).
- Various wards equipment upgrade (includes new monitors, ECG leads, SPO2 sensors, various wall mounted supplies, initial training and support, minimal telemetry upgrades, initial equipment spare parts, software, and installation).
- Department of Medicine equipment upgrade (includes new monitors, ECG leads, SPO2 sensors, various wall mounted supplies, initial training and support, minimal telemetry upgrades, initial equipment spare parts, software, and installation).

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

The authority at 41 U.S.C. 1901, "Use of Simplified Acquisition Procedures", along with 41 U.S.C. 3304(a)(1) "Only one responsible source and no other supplies or services will satisfy agency requirements" as implemented by FAR 13.501(a) and FAR 6.302-1.

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

In accordance with (IAW) FAR 6.302-1 - Only one responsible source and no other supplies or services will satisfy agency requirements. Spacelabs Healthcare LLC. retains proprietary rights to software, upgrades, and component equipment to be used with its Telemetry and critical care patient monitoring platform. The repair, purchase, installation, and upgrades of these components and parent system can only be completed by Spacelabs Healthcare LLC., due to the proprietary nature of the request, as well as, the need to maintain the integrity, safety, and accuracy of the systems in accordance to Original Equipment Manufacturer (OEM) specifications. The systems provide direct patient care and cannot be compromised. This request is a software upgrade and expansion to existing patient monitor servers, database, and platforms. The equipment requested for these expansion activities are direct components and extensions to upgrade existing Spacelabs Healthcare patient monitoring system. The database and expansion activities, as well as, all new equipment to be utilized with the current system must be compatible in all aspects to ensure the performance and integrity of the system as a whole. This equipment will connect and interface directly to the existing patient bedside monitoring system.

The previous patient monitoring system was awarded to Spacelab Healthcare LLC by

the NAC, Contract Number V797P-4343a via GSA eBuy as a Sole Source set aside. Currently, only Spacelabs Healthcare LLC can provide equipment that is compatible with the existing system. The patient monitoring equipment identified for upgrade has reached the end of its lifecycle, and must be replaced. The VAMC will be purchasing upgraded patient monitoring equipment, but will keep the existing Spacelabs Healthcare patient monitoring command modules. In addition, the upgrade will not include changes to existing telemetry and IT infrastructure. Only Spacelabs Healthcare LLC, equipment is compatible with the current Government owned command modules, telemetry and IT infrastructure located at the Detroit VAMC.

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

The Government posted a Sources Sought on August 10, 2017 on Federal Business Opportunity (FBO). Responses were requested by August 21, 2017 giving contractors 11 days to provide responses. The Government standard is to require responses in only 10 days. This gave prospective contractors an additional day to provide responses to the Sources Sought.

The Government received three responses to the Sources Sought. Two companies were Service-Disabled Veteran Owned Small Business (SDVOSB) and the other is a Veteran Owned Small Business (VOSB). The profiles of all three companies were reviewed by both the Contracting Officer and the technical experts at the John D. Dingell VAMC. The result was a finding that none of the companies are suppliers or distributors for Spacelabs Healthcare LLC., and therefore are unable to support the Veterans Affairs needs as required.

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

Price analysis will be conducted and subsequent negotiations held as necessary. Additional, price discounts will be sought.

Period: September 25, 2017 to November 24, 2017 (2 months) for installation and inspection of systems.

In accordance with FAR 13.003(g)(2), the CO intends to use an applicable procedure in FAR 15.404-1(b)(2) (ii), to ensure that the quoted pricing will be determined fair and reasonable based upon comparison of proposed prices to historical prices paid for similar services and the IGCE. Additionally, informal/streamlined negotiation-type communications will be conducted with Spacelabs Healthcare LLC to secure fair and reasonable pricing.

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

Market research was conducted on GSA eLibrary reviewing Schedule 65-IIA, Medical equipment and supplies SIN A-50A, Vital Signs Monitors under North American Industry Classification System (NAICS) 334510 Patient monitoring equipment (e.g., intensive

care, coronary care unit) manufacturing. The market research findings revealed there were 45 vendors that offer patient monitoring systems; however, none are technically compatible with the current infrastructure. All network requirements, installation site services, additional server installation, clinical configuration, software upgrades, and additional hardware installation shall operate and be compatible with the existing Spacelabs Healthcare LLC patient monitoring applications, Spacelabs Healthcare LLC series patient bedside monitors, and database. Market research also revealed that no other comparable product exists capable of providing the technical functions required to meet the patients and hospital needs without compromising patient care, and safety. Market Research results show that other than Spacelabs Healthcare LLC, there are no known providers of the requirement (including neither SDVOSBs nor VOSBs) that are distributors of Spacelabs Healthcare LLC products on GSA.

VetBiz registry was verified using the NAICS and Key word searches previously mentioned above. The query of Veteran-Owned and Service-Disabled Veteran-Owned Small Businesses in the VetBiz registry (In accordance with the Veterans Benefits, Health Care, and Information Technology Act of 2006, 38 U.S.C. §§ 8127-28 and the VA Acquisition Regulations (VAAR) Part 810.001 did not return any SDVOSB and VOSB sources capable of completing this effort.

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

Due to compatibility issues, only Spacelabs Healthcare equipment will meet the department needs for upgraded to their existing patient monitoring system. While the department is purchasing new monitors, the John D. Dingell VAMC is keeping the existing command modules from their old monitors, as well existing telemetry and IT infrastructure. Retaining the existing command modules, telemetry and IT infrastructure will help keep costs to a minimum for this upgrade, and help the department maintain the needed functionalities for the new monitors. However, Spacelabs Healthcare's command modules are only compatible with Spacelabs Healthcare monitors. As such, the purchase of anything other than Spacelabs monitors would make the equipment inoperable.

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

- I. Aliant Healthcare Products: SDVOSB, DUNS - 121170653.
- II. I Web 4 U, LLC: VOSB, DUNS – 033426243
- III. Janz Corporation Medical Equipment and Services: SDVOSB, DUNS - 103534595

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:

Competitive procedures to replace patient monitoring systems may be available in the future depending on if/when the VAMC decides to do an overhaul of systems (to include possible replacement of the whole system if the current method becomes to cost prohibitive to operate/update).

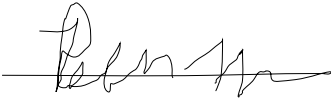
Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

Signature: _____
Brian Shepard
Contracting Officer
Strategic Acquisition Center
Office of Acquisition Operations

12 SEP 2017

Date

Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Signature: _____

Robert Hijazi
Chief Biomedical Engineer
VISN 11 Detroit, MI
Biomedical Engineering Department
Department of Veterans Affairs

Sept 12, 2017

Date

Approval: In my role as Strategic Acquisition Center Competition Advocate, based on the foregoing justification, I hereby approve the acquisition of upgrade of patient monitoring system pursuant to the authority cited in paragraph 5 above, subject to availability of funds, and provided that the services herein described have otherwise been authorized for acquisition.

Signature: _____
Elegear J. Primus
Competition Advocate
Deputy Associate Executive Director
Strategic Acquisition Center
Office of Acquisition Operations

Date