

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**Acquisition Plan Action ID:** VA263-17-AP-6650

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:** Provide *original manufacturer's* name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, *ALSO* provide dealer information.)

Manufacturer/Contractor: GE Health Care

Manufacturer/Contractor POC & phone number: Pierette O'Brien (Pierette.o'brien@ge.com) / 774-270-2111

Mfgr/Contractor Address: General Electric Company, 3000 N Grandview Blvd W-443, Waukesha, WI 53188-1615

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

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

Department of Veterans Affairs

Iowa City VA Health Care System

601 Highway 6 West

Iowa City, Iowa 52246

**VISN:**

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

Firm fixed price task order for preventive and corrective maintenance and emergency repairs, including parts coverage, for the following GE equipment and accessories:

- A. GE OEC 9900 Elite Portable C-Arm, Serial Number: E2-0756, Including the following associated items: Glassware, Batteries, DICOM Gateway, Digital Acquisition System, Image Intensifier: 12" ||, and Printers.
- B. GE OEC 9900 Portable C-Arm, Serial Number: E9-0763, Including the following associated items: Glassware, Batteries, DICOM Gateway, Digital Acquisition System, Image Intensifier: 12" ||, and Printers.
- C. GE OEC 9900 Portable C-Arm, Serial Number: E2-3689, Including the following associated items: Glassware, Batteries, DICOM Gateway, Digital Acquisition System, Image Intensifier: 12" ||, and Printers.
- D. GE OEC 9900 Portable C-Arm, Serial Number: E2-3690, Including the following associated items: Glassware, Batteries, DICOM Gateway, Digital Acquisition System, Image Intensifier: 12" ||, and Printers.

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- E. GE Senograph Essential, Serial Number: 665904BUI, Location 2W32-1-IC. Including all associated system components including but not limited to workstations, monitors, printers, and glassware.

The current task order expires on 9/30/17. The new task order must be effective on 10/1/17 to avoid a lapse in coverage and needs to include the provision for two option years. The vendor providing the required services must be capable of performing preventive and emergency maintenance and repairs in accordance to the original manufacturer's specifications.

**(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:**

Service Contract for GE OEC portable C-Arms and GE Senograph Essential listed above at the Iowa City VA Health Care System.

**(b) ESTIMATED DOLLAR VALUE:** The estimated cost for these services is \$101,142.00 base year (10/1/17 to 9/30/18) or \$303,426.00 for the base plus two option years.

**(c) REQUIRED PERIOD OF PERFORMANCE:** 10/1/17 TO 9/30/18 with two option years.

**(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. (CHECK ALL THAT APPLY AND COMPLETE)**

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 third party service vendor will not be able to have access to the software keys to allow them to service the equipment's software or perform troubleshooting. Additionally, 3<sup>rd</sup> party service vendors often use reverse engineered or refurbished parts due to unavailability of the parts from the Original Equipment Manufacturer. If any reverse engineered or refurbished parts are used, Iowa City VAHCS would take on the liability of any failures of the equipment that may potentially cause patient harm.

Additionally, GE OEC is the only company that has an approved One VA VPN connection for this type of equipment. This is a request of the contract, and no company can penetrate VA's firewall without having an approved VPN account.

A patent, copyright or proprietary data limits competition. The proprietary data is: software keys to allow equipment's software to be accessed. (If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

**(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:**

Based on industry standards, service for medical equipment typically is charged at a rate anywhere from 10-18% of the acquisition price of the asset. The equipment included in this contract is worth \$664,468.00 so a "fair" contract price would be anywhere from \$66,466 to \$119,604 per year. The IGCE is within that range.

**(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 not done. There are no other companies that can offer this service due to the proprietary software owned by GE Healthcare and the inability of third party servicers to obtain Original Equipment Manufacturer (OEM) parts for maintenance and repairs.

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

This equipment is highly sensitive and specialized. A malfunction of this equipment could cause patient misdiagnoses and resulting improper treatment. The manufacturer holds parts and service information as proprietary, so there would be no third party service available for full coverage of the equipment, unless reverse engineered or refurbished parts were used, which is unacceptable. Only Original Equipment Manufacturer parts may be used. If service were to be performed by a third party, all liability would be on the Iowa City VAMC for any possible equipment malfunctions.

**(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:**

None, there are no other vendor that can provide the service for the equipment. When replacement equipment is procured, that process will be done competitively.

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**(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.)*

_____ SIGNATURE	_____ DATE
Katherine Beardsley NAME	Chief Biomedical Engineer TITLE
Iowa City FACILITY	Engineering SERVICE LINE/SECTION

**(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.

_____ CONTRACTING OFFICER'S SIGNATURE	7/26/17 DATE
Sandra McAnany, Contracting Officer NAME AND TITLE	NCO 23 - Minneapolis FACILITY

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

_____ SIGNATURE	7/26/17 DATE
Kelly Nussbaum, NCO 23 Branch Chief NAME AND TITLE	