

LIMITED SOURCES JUSTIFICATION**ORDER >\$150,000****FAR PART 8.405-6****Acquisition Plan Action ID: VA258-17-AP-3484**

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:	Siemens Medical
Manufacturer/Contractor POC & phone number:	Steven Gross/ 480-749-2602
Mfg/Contractor Address:	51 Valley Stream Parkway, Malvern, PA 19355
Dealer/Rep address/phone number:	Steven Gross/steven.gross@siemens.com

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

- 1. AGENCY AND CONTRACTING ACTIVITY:** Department of Veterans Affairs, Network Contracting Office (NCO) 18

VETERANS INTEGRATED SERVICE NETWORK (VISN): 22

- 2. NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:** The NCO 18 Contracting Office proposes limited-source, firm-fixed price task order with Siemens Medical for the corrective maintenance (CM) and preventative maintenance (PM) services of Imaging equipment located at the Northern Arizona VA Healthcare System (NAVAHC), as the original equipment manufacturer (OEM), and sole firm that is capable of servicing, repairing, and supplying replacement parts within manufacturers recommendations for any and/or all equipment.

- 3. SCOPE OF WORK:** The contractor shall be required to provide all labor, material, and travel to perform preventative maintenance services on the following Siemens Medical equipment in accordance with the manufacturer's suggested maintenance schedule.

- Magnetom Avanto Fit
- AXIOM Luminos TF
- Mobilett XP Digital
- Multix MT
- Mobilett Mira
- Somatom Definition Flash
- syngo Multimodality WP
- S2000

The contractor shall be required to provide 24x7 telephone technical support with remote diagnostics capability to the site of the equipment if available. In the event that non-routine repairs cannot be corrected remotely, the contractor shall provide next day on-site emergency repairs services. Upon completion of any work, contractor shall furnish report to Biomedical Engineering of all services performed on each piece of equipment.

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)

- A. ☒ **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:** Siemens Medical is the original equipment manufacturer (OEM), and sole firm which is capable of servicing, repairing, and supplying replacement parts for the OEM equipment utilized by VISN 22 Medical facilities. Although Siemens Medical will train and certify facility biomedical engineering technicians to work on their equipment. If facilities were to purchase the training and have certified staff on station it will reduce overall costs of the annual PM services. Each facility makes this decision based on manpower and funding. However, due high turnover of biomedical engineering personnel, NAVAHCS may find itself in the position of having to new personnel multiple times and risk having the equipment breakdown due to lapse in preventative maintenance.
- B. ☒ **A patent, copyright or proprietary data limits competition. The proprietary data is: (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):** Siemens Medical has proprietary software, patents and intellectual properties rights that are only specific to Siemens Medical employees that are related to the service technologies that are required during PM's. Each manufacturer of all major equipment components that are at VA facilities must also create interfaces to ensure that all equipment connects with the current VA's Veterans Health Information Systems and Technology Architecture (VistA). This interface is a key component of the physician/patient technological relationship in terms of patient care plans and is proprietary to specific contractors that provide equipment to VA medical facilities. Siemens Medical currently has this interface throughout all facilities that use their equipment.
- C. ☒ **These are "direct replacements" parts/components for existing equipment:** Direct replacement parts may be required in performance of this work and Siemens Medical is the only source that can provide any required OEM type maintenance, repairs, or parts.
- D. ☒ **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:** All services performed to meet the standards of the OEM must be performed by certified

technicians that have been specifically trained by the manufacturer. Each medical facility that uses Siemens Medical Imaging and/or Ultrasound equipment has invested millions in the purchase of this equipment and the need for highly skilled, trained technicians is a must to ensure the equipment remains functional to meet the demands of the patient care and safety.

- E. ☒ **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:** The services are available through Veterans Administrations National Acquisition Centers (NAC) and Defense Logistics Agency (DLA) Troop Support contract SME2D1-17-D-0023.
- F. ☐ **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:** Since this procurement will be awarded as a task order against an existing National Acquisition Center (NAC) contract, the anticipated cost is considered to be fair and reasonable in accordance with (IAW) Federal Acquisition Regulation (FAR) Part 8.404(d). FAR 8.404(d) states that the "GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing." Furthermore, "by placing an order against a schedule contract using the procedures in 8.405, the ordering activity has concluded that the order represents the best value (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs." Also, prices proposed by Siemens Medical for the preventative maintenance services are in line with those previously paid by current facility task orders for the same or similar work on earlier requirements and the Contracting Officer will seek further discounts if appropriate. Siemens Medical is also providing additional discounts based on the quantity of equipment that is located at the facilities. Before award of individual task order (anticipated NTE \$500K), the Contracting Officer will ensure that the prices are within the NAC Contract negotiated prices and within costs recently awarded for similar procurements.
6. **DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:** A sources sought notice was published to the Federal Business Opportunities (FBO) website under request for quotation (RFQ) number VA258-17-Q-0429. There were no responses that could satisfy all the requirements.

- 7. ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:** These services are available under VA NAC and DLA Contract SPE2D1-17-D-0023. The NAC has published the price catalog for maintenance agreements to its SharePoint website.
- 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:** The Agency may take actions to overcome any barriers that led to the restricted consideration by hiring and training NACAHCs Biomedical Engineering technicians that plan on staying at NAVAHCs.
- 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.)

Kim P.
Hennessey
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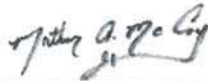
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Kim Hennessey
Contract Liaison Officer, NAVAHCs

Date

10. APPROVALS IN ACCORDANCE WITH FAR 8.405-6 (d)

- A. CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

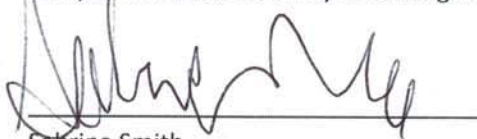


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Nathan A. McCoy
Branch Chief – Services Contracting, NCO 18

Date

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



Sabrina Smith
Director of Contracting, NCO 18

8/10/2017

Date

HIGHER LEVEL APPROVAL (Required For orders over \$700,000):

- C. **VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$13.5 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

Delia A. Adams
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8/11/17

Date

Delia A. Adams, MBA, CPCM
Executive Director, Service Area Office West
Head of Contracting Activity (HCA)