

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**AP ID and PR Number: VA260-17-AP-6983 / 663-18-1-213-0008**

- 1. Contracting Activity:** Department of Veterans Affairs, NCO20, for the VA Puget Sound Health Care System (VAPSHCS), Seattle VA Medical Center (SVAMC) and American Lake VA Medical Center (ALVAMC). This is a justification for an exception to fair opportunity in accordance with FAR subpart 808.405-6 Limiting Sources. This requirement will be funded by purchase request 663-18-1-213-0008.
- 2. Description of Action:** This acquisition is conducted under the authority of the Multiple-Award Schedule Program ([41 U.S.C. 251](#) and [40 U.S.C. 501](#)). The proposed sole source action is a task order against Philips Healthcare, a Division of Penac award contract VA797H-17-D-0022. Defense Logistics Agency (DLA) and VA National Acquisition Center (NAC) have a Joint Venture to create multiple contracts for High Tech Medical Equipment (HTME). The necessity for a Delegation of Authority Letter to place orders against this and other HTME Contracts for Services has been waived at the national level. This action is a one year Firm-Fixed Price (FFP) contract for Philips Imaging Full Service Contract Repair and Support Contract.
- 3. Order against:**  FSS Contract Number: VA797H-17-D-0022  
Name of Proposed Contractor:

Street Address: PHILIPS HEALTHCARE, A DIVISION OF PENAC

City, State, Zip: 22100 BOTHELL EVERETT HWY

BOTHELL, WA, 98021-8431

Phone: 978-659-3000

**4. Description of Supplies or Services:**

The estimated value of the proposed action is \$ 345,960.00

The proposed action is to provide VAPSHCS with a Philips Imaging Full Service Contract Repair and Support Contract on Achieva XR MRI, Brilliance iCT and Ingenuity CT imaging equipment. Philips is the manufacturer of the MRIs and CTs as well as their maintenance, software and equipment. The company has VA-approved remote ability to access the MRI and CTs to run diagnostic software and reports for improved diagnostics and equipment uptime. The warranties of this equipment must be maintained by proprietary software and services

exclusive to Philips. The total estimated value of the proposed action is \$345,960.00 with a period of performance 11/01/2017 – 10/31/2018. FAR Clause 52.217-8 Option to Extend Services will be included.

**(4) IDENTIFY THE AUTHORITY AND SUPPORTING RATIONALE (see 8.405-6(a)(1)(i)(A), (B), and (C) or 8.405-6(b)), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.**

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. The warranties of this equipment must be maintained by proprietary software and services exclusive to Philips. The proposed action is to provide VAPSHCS with a Philips Imaging Full Service Contract Repair and Support Contract on Achieva XR MRI, Brilliance iCT and Ingenuity CT imaging equipment. Philips is the manufacturer of the MRIs and CTs as well as their maintenance, software and equipment. The company has VA-approved remote ability to access the MRI and CTs to run diagnostic software and reports for improved diagnostics and equipment uptime.

Items peculiar to one manufacturer:

A patent, copyright or proprietary data limits competition. The proprietary data is: The software, updates, diagnosis and repair service is proprietary to Philips Healthcare, a Division of PENAC. This service is provided by Philips through their secured web-based information application that gives access to up-to-date operational and performance data from RTAC diagnostic Center. These proprietary rights were verified by a Philips memorandum.

**(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

Defense Logistics Agency and VA NAC have a Joint Venture to create multiple contracts for High Tech Medical Equipment (HTME). The pricing under these contracts were already considered to be fair and reasonable. IAW 8.405-4, pricing offered under these HTME Joint Venture contracts is established at a price reduction from standard market rates.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**

The software, updates, diagnosis and repair service is proprietary to Philips Healthcare, a Division of PENAC. This service is provided by Philips through their secured web-based information application that gives access to up-to-date operational and performance data from RTAC diagnostic Center. These proprietary rights were verified by a Philips memorandum.

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

N/A

**(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:**

N/A

**(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.)*

10/17/2017

\_\_\_\_\_  
SIGNATURE

Chester E Lohman

\_\_\_\_\_  
DATE

Biomedical Equipment Support Specialist

\_\_\_\_\_  
FMS/BIOMED

\_\_\_\_\_  
NAME

Puget Sound VA Healthcare System

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
SERVICE LINE/SECTION

\_\_\_\_\_  
FACILITY

**(10) APPROVALS IN ACCORDANCE WITH THE [VHAPM Part 806.3 OFOC SOP](#):**

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

10/17/2017

\_\_\_\_\_  
CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

Lisa Spiral O'Neil, Contracting Officer

\_\_\_\_\_  
DATE

NCO 20, Services Team 2

\_\_\_\_\_  
NAME AND TITLE

\_\_\_\_\_  
FACILITY

**b. One Level Above the Contracting Officer (Required over\$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.

\_\_\_\_\_  
SIGNATURE

18 October 2017  
\_\_\_\_\_  
DATE

Thomas M. Ebenhoh  
\_\_\_\_\_

NAME

NCO/PCO XX Duty Title    NCO 20/Contracting Officer  
Branch Manager, Services 1