

Simplified Market Research Report

Philips MRI Unit Cath Lab Maintenance

Objective & Background: Per FAR 10.001(a)(2), this report is in support of a new requirement with an estimated value less than the simplified acquisition threshold where VAMC Hampton, VA requests a maintenance contract for Cath Lab equipment. NAICS Code: 811219 Product Code: J065, Estimated contract value: \$263,776.59.

1. Results from VIP Query (Contracting Officers shall review the Vendor Information Pages (VIP) database at <https://www.vip.vetbiz.gov>):

Research conducted on VIP produced the following results 169 SDVOSB vendors with the noted NAICS code and 39 VOSB vendors. A search of the NAICS code showed 12,426 businesses listed as small with less than \$20.5 in annual sales. The service is proprietary, no additional vendors were contacted for quote submissions.

2. Market Research Sources:

Market Research was conducted by beginning with past procurement of the same service. The service has been noted in the past as proprietary. The CO requested and received a letter for verification stating this service is still proprietary after being told by the using service that no additional vendor could provide this service. Philips allows distribution partnerships for mobile equipment sales but not service.

3. Market Research Findings:

MARKET PRICE: \$275,000.00, this price was established based on random internet research of equipment maintenance agreements of like equipment along with historical data for the same service throughout NCO6.

ACQUISITION HISTORY: Historical acquisitions include the same services being procured throughout NCO6 for the past five years that are available for electronic review. Equipment is customarily proprietary to the manufacturer based on trade knowledge.

RECOMMENDATION: It is recommended that this acquisition be completed firm fixed price Delivery Order against NAC VA797H-17-D-0022. Modification P0002 allows DO-TO orders without requesting written permission.

Prepared by:
Name: Kim Pauley

Date: 11/6/17

Approved by:
Name: [Signature]

Date: 11/6/17

VAAR 810.001-70 Market Research Policy: When performing market research, contracting officers (CO) shall review the Vendor Information Pages (VIP) database at <https://www.vip.vetbiz.gov> as required by subpart 819.70. The CO will search the VIP database by applicable North American Industry Classification System (NAICS) codes to determine if two or more verified service-disabled veteran-owned small businesses (SDVOSBs) and veteran-owned small businesses (VOSBs), in the appropriate NAICS code, are listed as verified in the VIP database. ***The CO will determine if identified SDVOSBs or VOSBs are capable of performing the work and likely to submit an offer/quote at a fair and reasonable price that offers best value to the Government. If so, the CO shall set-aside the requirement in the contracting order of priority (see 819.7005 and 819.7006).***

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval (J&A)
For
Other Than Full and Open Competition (>\$150K)

Acquisition Plan Action ID: VA246-17-AP-10860

1. **Contracting Activity:** Department of Veterans Affairs, NCO 06, on behalf of VAMC Hampton Medical Center in Hampton, VA intends to procure an annual maintenance agreement under 2237 #658-18-1-076-0004. Order will be placed against VA NAC 797H-17-D-0022.
2. **Nature and/or Description of the Action Being Processed:** The objective of this request is to procure by means Other Than Full and Open Competition to support the operations of the Cath Lab at the VA Medical Center in Hampton, Virginia (VAMC). A new contract, firm-fixed-priced, is planned for this service agreement.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** VAMC at Hampton, Virginia has an ongoing need for equipment maintenance that is proprietary to Philips Maintenance Certified Technicians only. The estimated value of this procurement is \$263,776.59
4. **Statutory Authority Permitting Other than Full and Open Competition:**
 (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
 (2) Unusual and Compelling Urgency per FAR 6.302-2;
 (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
 (4) International Agreement per FAR 6.302-4
 (5) Authorized or Required by Statute FAR 6.302-5;
 (6) National Security per FAR 6.302-6;
 (7) Public Interest per FAR 6.302-7;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**
Contract is for service both annual and otherwise as noted in SOW for the Cath Lab. The equipment maintenance is proprietary to Philips Certified Technicians. Philips has not authorized other companies to apply for or receive Philips Certifications. Although Philips has established partnerships with small businesses to distribute mobile equipment no such agreement exists for service. Part of the annual maintenance is the updates to workflow modules. This maintenance cannot be completed without specific software codes, these codes are the sole property of Philips Healthcare and Philips employees.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:**
The presence of a proprietary service letter requested and included with the submitted quote provided proof no further potential sources were available. Review of past practice historical information supported this finding.

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7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:**
The cost when compared to the past three years is considered fair and reasonable. The cost when compared to similar contracts at other medical facilities is considered to be fair and reasonable.
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 to the point that Proprietary Rights were discovered, further efforts were unnecessary.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition: Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**
No additional information is available or necessary.
10. **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:**
Until Philips equipment is solicited for replacement or the company changes their policy barrier removal will not be possible.

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11. 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 and belief.

Joseph Wilder
Joseph Wilder

July 31, 2017
Date

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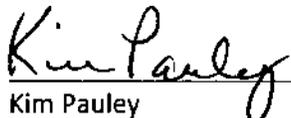
Justification and Approval (J&A)

For

Other Than Full and Open Competition (>\$150K)

12. Approvals in accordance with the VHAPM Part 806.3 OFOC SOP:

- a. Contracting Officer or Designee's Certification (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

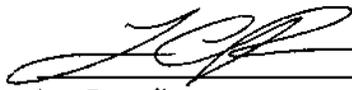


Kim Pauley
Contracting Officer, NCO 6

11/6/2017

Date

- 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.



Lee Russell
Branch Chief, Supply 4, NCO 6

11/6/17

Date