

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$150,000**

**FAR PART 8.405-6**

**Acquisition Plan Action ID: VA248-18-AP-1898**

**1. Contracting Activity:** Department of Veterans Affairs, VISN 08, NCO8, C.W. Bill Young Medical Center.

**2237:** 516-18-1-2071-0167

**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). This is a new requirement for full maintenance services supporting a Revolution computed tomography (CT).

Order against:  FSS Contract Number: VA797H-17-D-0024

Name of Proposed Contractor: General Electric Company

Street Address: 3000 N. Grandview Blvd.

City, State, Zip: Waukesha, WI 53188

Phone: 262-951-9104

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

The estimated value of the proposed action is 

This is a limited source request under the authority at FAR 8.405-6(a)(1)(i)(B). The Contracting Officer is seeking to place a fixed priced task order to provide all repair labor and parts including CT tube coverage up to 5000 patients. These services also feature onsite response time of four hours, an uptime commitment of 97% and all system software updates. The task order will be issued utilizing the VA National Acquisition Center (NAC) contract VA797H-17-D-0024 with General Electric Company (GE). This contract represents a priority source for the Department of Veterans Affairs, providing the hardware, software and maintenance associated with the General Electric manufactured, high-tech medical imaging systems listed in the table below currently installed at the C.W. Bill Young Veterans Affairs (VA) Medical Center (CWBYVAMC). The Period of Performance (POP) is 12 months with three, one-year options. The period of performance is funded via 2237#: 516-18-1-2071-0167.

EE#	Model	Location	Serial Number
109435	Revolution CT	C.W. Bill Young VAMC	727398REVO

**(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.**

- An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.
- 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; Computed tomography makes use of computer-process combinations of many x-ray measurements taken from different angles to produce cross-sectional images of specific areas being diagnosed creating a three-dimensional image. CT's offer fast, noninvasive and accurate picture of the area of interest for diagnosis. This equipment is unique because it utilizes specialized and proprietary software to process these images. Additionally, a reader should know that the length of exposure of the patient to the x-ray is also controlled by the machine made up of its unique parts and software. Certainly, there exists independent service organizations (ISO)s that provide maintenance services, however, GE is the only authorized provider of proprietary software updates and upgrades for their equipment, no other software has been validated for these systems.
- In the interest of economy and efficiency, 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.
- Items peculiar to one manufacturer:
- A patent, copyright or proprietary data limits competition. The proprietary data is: The operating system for the Revolution CT is proprietary to GE along with many features offered by the equipment itself, including [REDACTED]
- These are "direct replacements" parts/components for existing equipment.
- 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.

**(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:**

Price reasonableness is based on price comparison against prior purchases of the same service, market research, the IGCE, and the pre-priced NAC schedule pricing under

contract VA797H-17-D-0024. The estimated annual price of this requirement is [REDACTED] with a total estimated value of [REDACTED]. The previous NAC task order V797P-6019B VA248-17-F-0026 cost was [REDACTED] for twelve months of preventive maintenance which did not cover the CT's tubes. CT tube costs can easily exceed [REDACTED] a recent replacement for a CT system in the same family as the subject system, a GE Discovery CT750 HD, cost [REDACTED] under contract VA248-16P-2394. Additionally, the VA's National Acquisition Center (NAC) has already determined the prices of supplies and fixed-price services to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required. Other recently awarded comparable task orders issued on an annual basis include V797P-6029B/VA248-14-F-0241 (Bay Pines VAMC) awarded on 4/21/2016 for the maintenance of a Siemens Biograph CT which cost [REDACTED] and excluded the CT tube and V797P-6029B/VA255-15-F-3154 (Leavenworth VAMC), awarded on 4/21/2015 for the maintenance of a Siemens PET CT cost [REDACTED]

**(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 conducted using NAICS code 811219 and the PSC of J065 via Federal Business Opportunities (FBO), SBA's Dynamic Small Business website, SAM, NAC tools, GSA Advantage, and VETBIZ. Priority sources within the VA NAC Med/Surge catalog were also consulted to locate sellers of GE imaging systems maintenance services and it has been determined that GE is the only company capable of providing these services. GE is the sole manufacturer of these imaging systems and as the manufacturer it sells specific parts for use in the maintenance of these systems. Only GE's service technicians have access to the proprietary diagnostic software and other tools used in maintaining and servicing this asset. Market research has demonstrated that the only source for providing these services on this highly specialized, proprietary equipment is the manufacturer, GE. The CWBYVAMC will utilize a task order to the NAC under contract VA797H-17-D-0024 to fulfill this requirement, as it is a priority source.

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

It should be known that the VA already has sunk costs likely exceeding [REDACTED] for this equipment. Replacement of the equipment would exceed this amount. A change in manufacturers would also necessitate additional procurement costs, training and testing to be conducted for any new equipment. Additionally, a recent and relevant sources sought notice was posted for the repair of GE manufactured high-tech medical equipment (HTME) under VA24815N1710, published on FBO.gov during the period of 7/23/2015 through 7/29/2015. The results of the sources sought confirmed that this is a limited source procurement under FAR 8.405.6(a)(1)(i)(B), only one source is capable of providing these supplies or services required at the level of quality required because the supplies or services are unique or highly specialized. All of the responses to the sources sought identified the subcontracting to GE personnel to participate in the repair process, especially surrounding the software and the updates that occur to the equipment as the GE service technicians are the only ones to have access to the

highest level of proprietary diagnostic software and the associated updates as they become available. No other software has been validated for these systems.

**(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:**

Based on market research and other reasons mentioned above no further actions were taken. The services being provided are only for the CWBYVAMC. In the future, we will continue to monitor the market for other sources of these services.

**(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.)*

[Redacted Signature]

8 Nov 2017

DATE

[Redacted Signature]

**(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.

[Redacted Signature]

8 Nov 2017

DATE

[Redacted Signature]

NC08, C.W. Bill Young VAMC  
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.

[Redacted Signature]

SIGNATURE

8 Nov 2017

DATE

[Redacted Signature]