DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA261-17-AP-15611

 Contracting Activity: Department of Veterans Affairs, Network Contracting Office VISN 21, McClellan CA.

Purchase Request: 612-18-1-138-0021

2. Nature and/or Description of the Action Being Processed:

FAR13.5 Simplified Procedures for Certain Commercial Items: This is a request for approval of a task order under VA NAC contract SPE2D1-17-D-0023 for full service maintenance coverage on the Siemens Medical Solutions, USA Symbia System currently in use at the VA Northern California Healthcare System, Mather CA. This procurement will be conducted in accordance with FAR Part 13.

3. Description of Supplies/Services Required to Meet the Agency's Needs: The VA Northern California Healthcare System, Mather requires the Siemens Silver Service Agreement to include replacement parts, labor travel expenses, tools test equipment and other covered incidentals necessary to maintain the equipment to operating specifications per the manufacturer's requirements throughout the term of the contract. The purpose of the service agreement is to reduce service costs and improve equipment turn-around time and reliability. This will be a firm-fixed price task order contract from VA NAC contract SPE2D1-17-D-0023. The anticipated period of performance of December 29, 2017 to December 28, 2018 with a provision of four (4) option years. The annual cost is \$ XXXXXXXX, and the total estimated cost is \$ XXXXXXXX.

Covered equipment includes the following:

Item # System Name

1* Symbia.Net Multi-User (up to 5 users)

2* Symbia.Net Multi-User (up to 5 users)

3* syngo.via

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VHAPM Part 806.3 Other Than Full and Open Competition (OFOC) SOP Attachment 2: Request for Sole Source Justification Format >\$150K

4. Statutory Authority Permitting Other than Full and Open Competition:

| (X | ()(1) Only One Responsible Source and No Other Supplies or Services Will Satisty |
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| | 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): Siemens Medical Solutions, USA is the only company that can provide all the necessary OEM parts and perform all the necessary repairs for the required high-tech medical equipment (HTME) due to patents, copyrights and liability issues for the equipment. These restrictions prevent other vendors from accessing the diagnostic software, tooling, licensing and Original Equipment Manufacturer (OEM) parts necessary to ensure services are performed of per Title 21 Part 820, Subpart N, Section 820.200. Due to liability purpose, it is both reasonable and responsible to adhere to the standards of the Food and Drug Administration (FDA).
- 6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: A sources sought notice was posted to FedBizOpps (FBO) under 36C26118Q0105 from 11/14/2017 to 11/17/2017. This notice requested all potential Service Disabled Veteran Owned Small Businesses (SDVOSB), Veteran Owned Small Business (VOSB) and Small Businesses (SB) respond in accordance with notice if they are a viable source for the Siemens Silver Maintenance Service Agreement. By the closing date of the notice, no viable sources were identified above and beyond Siemens.
- 7. <u>Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable</u>: Contract pricing was already determined fair and reasonable by the original contracting officer for contract SPE2D1-17-D-0023 at the time of award. All prices are fixed for all annual service maintenance agreements (SMA). Based on the aforementioned, the anticipated cost
- 8. <u>Description of the Market Research Conducted and the Results, or a Statement of the Reasons</u>
 <u>Market Research Was Not Conducted</u>: Due to the proprietary nature, Siemens Medical Solutions,
 USA is the only authorized company able to perform maintenance on its imaging equipment. They
 have the technical expertise to provide maintenance and service, as well as the only company with
 access to manuals and design specs of its imaging equipment. Siemens Medical Solutions, USA is the
 only company that can access its systems remotely and offer certified parts that meet the original
 equipment manufacturer's specifications. Siemens Medical technicians are the only OEM trained
 and certified personnel authorized to perform work on this equipment.

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- 9. Any Other Facts Supporting the Use of Other than Full and Open Competition: This contract is in support of the VA-DoD Direct Sharing Agreement with the DSCP in consolidation with four of the DoD's HTME contracts, namely SPE2D1-17-D-0023. The use of these consolidated HTME contracts increase efficiency and reduces cost for the VA.
- **10.** Listing of Sources that Expressed, in Writing, an Interest in the Acquisition: A sources sought notice was posted to FBO on November 14, 2017 under 36C26118Q0105. By the closing date of the notice there were no respondents that expressed and interest of capability to perform this service for the VA.
- 11. 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: In situations involving complex medical equipment, it is difficult to remove barriers to competition because the OEM is the only qualified company capable to provide the repair and maintenance of its own specialized medical equipment. This is especially true where proprietary software, specific diagnostics tools, and specialized electronics are used to maintain the HTME equipment in accordance with OEM specifications.
- **12.** <u>Requirements Certification</u>: 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.

| | 12/8/2017 |
|----------|-----------|
| _ Name: | Date |
| Title | |
| Facility | |

- 13. Approvals in accordance with the **VHAPM Part 806.3 OFOC SOP**:
- a. <u>Contracting Officer or Designee's Certification (required)</u>: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

| Name: | 12/8/17 | |
|----------------------------|---------|--|
| Title: Contracting Officer | | |
| Facility: | | |

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

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