

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA256-17-AP-11584

1. **Contracting Activity:** Department of Veterans Affairs, VISN 16, NCO 16, for the Alexandria Medical Center
2. **Nature and/or Description of the Action Being Processed:** This is a sole source request for a new contract for preventive maintenance and unscheduled services/repairs to Philips imaging equipment located at the Alexandria VA Medical Center. This contract will replace expiring task order VA256-15-J-1515. This procurement is expected to result in an Indefinite-Delivery, Indefinite Quantity (IDIQ) contract for up to 60 months, with an estimated value of \$960,741.22.

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for preventive maintenance and unscheduled services/repairs to Philips imaging equipment in accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** This requirement includes, but is not limited to preventive maintenance and unscheduled services/repairs to Philips imaging equipment. The estimated period of performance is from 2/1/2018 thru 1/31/2023.

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):** Philips' Remote Proactive Monitoring Service is a component of Philips' preventive maintenance agreements that can only be provided directly from Philips Healthcare. This remote service is accomplished through a secured SSL based Philips VPN connection between the Philips medical devices on station and Philips. This connection allows for equipment status information to be sent directly to Philips on a regular basis

(ranging from 30 seconds to 15 minutes) so that there is constant support of the systems remotely without interrupting normal daily routines. Due to this support Philips engineers, can constantly analyze the equipment to monitor and proactively detect potential issues and then take appropriate corrective actions before downtime of the device is needed. In addition, in the case where onsite support is needed, Philips can diagnosis and identify needed parts in advance, therefore expediting repair and minimizing downtime. Also, via the Philips remote connection all software updates are completed which ensures equipment is constantly up to date with the newest clinical capabilities, and security updates are taken care of promptly to help mitigate the opportunity for cyberattacks. Finally, Philips remote services provides clinical and educational remote services for clinical staff members as needed to aid clinician staff during procedures and evaluate equipment workflow patterns to better optimize use.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** There are no alternative sources capable of proving the specific services identified in Section 5 above. The VHA NAC has awarded contracts to each of the major imaging equipment OEMs (including Philips) to include the required preventive maintenance and repair services.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The VHA NAC contracts mentioned in Section 6 above have been awarded on a competitive basis, and as a part of the evaluation/award of those contracts pricing as already been determined to be fair and reasonable. Although the proposed IDIQ cannot be awarded against the NAC contract (IDIQ against another IDIQ) the pricing in the NAC contract will be used to determine price fair and reasonableness. This is deemed to be more administratively efficient than issuing task orders against the NAC IDIQ. Based on the information in Section 5 above, there is no benefit to the Government in seeking additional competition.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Two other contracts were recently solicited and awarded to Philips (for the Fayetteville and New Orleans medical centers). Each of these resulted in the receipt of no other quotes or interest. Other than posting a Notice of Intent to award a sole source contract, no additional market research will be conducted above and/or beyond that conducted prior to award of the VHA NAC contracts.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** Multiple solicitations for full and open competition have been released in recent years. In each case, the specific requirements described in Section 5 above have resulted in no technically acceptable offers being received by anyone other than Philips. In each case, the proprietary nature of the system monitoring software has resulted in all other responsive sources being declared technically not-acceptable.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Based on the inclusion of the required proprietary software, no other qualified sources have expressed a valid interest.
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:** Unless/ until Philips offers the proprietary software separately from their preventive maintenance

packages, or provide 3rd party access to these proprietary systems, open competition will not be available for this requirement.

12. 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.

a. Requester

Randall L

Brossett 305028

Digitally signed by Randall L
Brossett 305028
Date: 2017.12.27 11:35:29
-06'00'

Title: Medical Equipment Repairer

Facility: Alexandria VAMC

Date

b. Requester's Supervisor

Lavonna Melton

Title: Biomedical Supervisor

Facility: Alexandria VAMC

12/27/2017

Date

13. Approvals in accordance with the [VHAPM, Volume 6, Chapter VI: 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.

JAMES W HUNT 579495

Digitally signed by JAMES W HUNT
579495

Date: 2017.12.28 09:51:58 -06'00'

Contracting Officer

NCO 16

Date

b. **Director of Contracting /Designee (Required over\$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.

AARON VILLALPANDO
178014

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VILLALPANDO 178014
Date: 2018.01.08 13:10:25
-06'00'

NCO 16 Director of Contracting or Designee

Date

- c. **VHA SAO HCA Review and Approval:** 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 other than full and open competition.

Randy L. Hays
534204

Digitally signed by Randy L.
Hays 534204
Date: 2018.01.09 09:02:06
-08'00'

Randy L. Hays
Acting Director, SAO Central
Department of Veterans Affairs
Cell: (916) 275-3687

Date