Project 603-17-803, Design/Build Cystoscopy System Robley Rex VA Medical Center

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA249-18-AP-2066

 Contracting Activity: Department of Veterans Affairs, VISN 09, Robley Rex VA Medical Center (Louisville, Kentucky), Network Contracting Office (NCO) 9. Purchase Requisition

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

Design, prepare the existing site and install a new GE Uroview® FD Urology System in accordance with the manufacturer's specifications, site planning guide and the Department of Veterans Affairs Design and Construction guidelines as provided in the Technical Information Library (TIL) available for download at https://www.cfm.va.gov/til/spec.asp. The GE Uroview® FD Urology system is one of many proprietary specialized medical imaging systems manufactured by General Electric (GE) and distributed through GE Healthcare division.

This procurement requires the contractor to possess the specialized knowledge to design, prepare the site, provide the necessary utility systems, install the equipment through coordination with the equipment manufacturer, as well as with the various construction trades, concluding with the commissioning by a Physics upon completion of the equipment installation. Design/Build projects involving High Technical High Cost (HTHC) medical equipment are specialized construction services, as the construction contractor is required to have the knowledge about the utility requirements related to installation, the structural steel required to support the equipment, the shielding requirements (where the contractor has consulted with a Physics), power supply and certain other items that are specific only to HTHC medical equipment. In addition, the Preferred Vendor intentionally coordinates each phase of the Design/Build work with a specialist specific to that equipment manufacturer.

Recent changes that occurred in FY17 with the Department of Veterans Affairs-National Acquisition Center (NAC) turnkey program placed restriction limits on the amount of construction associated with equipment installation projects. Construction costs associated with turnkey projects now require that those costs cannot exceed thirty percent (30%) of the equipment purchase.

Historical and current information show High Technical High Cost equipment manufacturers use a "Preferred Vendors" list to provide design/build services. These "Preferred Vendors" have been skilled through training regimens from the manufacturer that span more than 100 classes, as well as hand-on guidance, where the manufacturer performs side by side project management. As a result, to warranty the equipment installation the manufacturers require installation by preferred vendors.

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An attachment provided with this JOFOC that further support the findings is an email from with GE Healthcare, (Ohio Valley Region) indicating a listing of the Preferred Vendors used by GE. The preferred vendor list includes:



active SAM registration. This company has successfully performed similar work in the past at the Robley Rex VA Medical Center. It is a small business that has demonstrated the capability to successfully perform.

Inc. is a Service Disabled Veteran Owned Small Business concern, who is also a GE Preferred Vendor. In accordance with Federal Acquisition Regulation (FAR) 6.302-5 "Full and open competition need not be provided for when (i) a statue expressly authorizes or requires...", therefore, pursuant to the Veterans and Benefits Act of 2003 (15U.S.C. 657(f), the proposed contract action is authorized by statue, as the CO is pursuing a sole source award to a Service Disabled Veteran Owned Small Business (SDVOSB) concern.

3. Description of Supplies/Services Required to Meet the Agency's Needs: The project involves the design, site preparation and installation of highly specialized medical equipment in the former Cystoscopy Suite room C415, to support the GE/OEC Uroview FD system at the Robley Rex VA Medical Center. Work shall be in accordance with the Department of Veterans Affairs Design and Construction guidelines as provided for in the Technical Information Library (TIL) to include all disciplines necessary for the completion of the project. The TIL is available for download at https://www.cfm.va.gov/til/spec.asp; work shall also conform to the latest Department of Veterans Affairs guidelines for this space, as well as the specifications stated by General Electric (GE) Healthcare (the equipment manufacturer). The new design shall conform to current VA standards. Design includes the preparation of complete drawings in AutoCAD 2012 or other format upon agreement with the VA. The Independent Government Cost Estimate (IGCE) for this project is

4. 5	Statutory	· Authority	/ Permitting	Other thar	<u>ı Full a</u>	and Op	oen Com	petition:
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- () (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
- (X) (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;

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5. <u>Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires</u> the Use of the Authority Cited Above (applicability of authority

requirements of this procurement action as they have successfully performed similar work in scope and magnitude at other VA Medical Centers, as well as in both private and public hospitals/medical centers within the United States. C. has work directly with hospitals, imaging and cancer treatment practices, equipment vendors (such as Philips, Siemens, GE Healthcare, etc.) and healthcare management service providers to fulfill requirements for specialized medical equipment. They have completed over 146 imaging projects, finding solutions to some of the most challenging situations. They are experienced contractors in the design and construction of MRI, CT, PET, PET/CT, Catherization Labs, X-rays, Nuclear Medicine equipment and requirements. is a Preferred Vendor for Siemens, Philips, and GE Healthcare to design and prepare sites for the installation of the GE Uroview® FD Urology system. In accordance with FAR 6.302-5, proposed contract actions under this authority is authorized by statue, as the anticipated contractor is a verified SDVOSB concern.

s a verified Service Disabled Veteran Owned Small Business concern, who is also on the list of GE Preferred Vendors for High Technical High Cost equipment installation. The company is a verified SDVOSB with an active registration good through October 17, 2020. The company also has an active registration in the System for Award Management (SAM) which is good through January 22, 2019. The company has performed a myriad of specialized equipment installation such as MRI, Cath Lab, Nuclear Medicine Labs, CT's, PET/CT systems, Mobile MRI's, Angio Suites demonstrating the ability to successfully perform. The company provided references from multiple VA medical centers, as well as public and private hospitals/medical facilities. It is a preferred equipment installer for General Electric (GE) and Philips Medical Systems. The CO has determined to be a qualified contractor, capable of meeting the requirements for Project 603-17-803.

6. <u>Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable</u>

On January 29, 2018, a Request For Information (RFI) was published on the government wide point of entry for procurement actions-Federal Business Opportunities (FBO) website. The announcement is being published for twenty (20) days seeking information on qualified firms that have the specific capability of relocating, installing and providing site preparation for high dollar medical equipment by manufacturers such as Siemens, Philips, GE Healthcare, Toshiba Medical Systems, Varian Medical Systems and other similar manufacturers of highly specialized medical equipment. The screening process used in determining capability is a demonstration by the Offeror of performance of the type of work identified in the synopsis, three or more times within the past five years. Over the past two (2) months the CO has posted multiple notices seeking qualified firms, with little to no response from firms demonstrating a capability to perform.

7. <u>Determination by the Contracting Officer that the Anticipated Cost to the Government will be</u> Fair and Reasonable:

The Contracting Officer anticipates that the overall cost to the Government will be Fair and Reasonable. The steps to ensure fair and reasonable pricing will be a comparison of past pricing of similar work in scope and magnitude at the medical center. In addition, the proposed price will be analyzed against the Independent Government Cost Estimate (IGCE).

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A detailed price breakdown will be required as part of the Offeror's price proposal. The proposed price will be analyzed for reasonableness. It will be analyzed for the different divisions of work to be performed, and the complexity of that work if any, and will be reviewed to ensure that it reflects a clear understanding of the requirement, and is consistent with the Offeror's technical proposal.

8. <u>Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:</u> Market Research for this procurement consisted of a Request for Information on the government wide point of entry-Federal Business Opportunities website, a search of the Vetbiz database of verified SDVOSB and VOSB contractors in the Commonwealth of Kentucky, and/or the Kentucky-Indiana-Tennessee region. As described in section VI above, market research, in accordance with Far Part 10 was conducted by the synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting statements of capability from interested parties.

While the query of the SBA's Dynamic Small Business database supports multiple firms listing a NAICS of 238290, these firms were invited to submit their statements of capability, yet, only one firm responded and indicated that their past experience did not match with the requirements of the announcement (See email from Semper Tek Inc.). The Center for Verification & Eligibility (CVE) identified 336 specific to the State of Kentucky through its database listing, yet none of these vendors have responded to the announcement.

- 9. Any Other Facts Supporting the Use of Other than Full and Open Competition: Other facts that support the use of other than full and open competition for this procurement action, is the nature of the specialized work involved is not suitable for full and open as many General Construction Contractors have limited if any experience with the construction of Highly Specialized Medical equipment design and construction. In fact, GE Healthcare provides a listing of six (6) Preferred Vendors, only one of which is an SDVOSB concern.
- vendor has responded to the RFI expressing interest or the capability to perform: Concerned expressed interest and submitted a statement of capability. The company provided past performance on two Design/Build projects, only one of which was a turnkey HTHC equipment installation. Yet this project is not a completed project and the RFI specifically stated that capability must be demonstrated through completed projects. The other project listed by was a design/build renovation of an Operating Room (OR) completed in 2017. did not provide the CO with an adequate number of projects to sufficiently assess the company's capability. Therefore was determined incapable of performing the requirements of this project.
- 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:

 The Agency will encourage local SDVOSB and VOSB companies to pursue partnerships with these equipment manufacturers, pursue training opportunities so that they can obtain being named on

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the preferred vendor list. No further actions are planned by the Contracting Officer, as many of the action plans requires an active role on part of the SDVOSB or VOSB vendor.

12.	Requirements Certification: I certify that the requirement outlined in this justification is a Bona			
	de 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.			
	Dugitally signed by			

MICHAEL A. Digitally signed by MICHAEL A. DAY 294473

DAY 294473
Date: 2018.02.12 15:46:34
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Michael Day
Chief, Bio-Medical Engineering
Robley Rex VA Medical Center

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

Roxie A. Keese

Digitally signed by Roxie A.

Keese 299082

Date: 2018.02.12 15:49:06

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Roxie Ann Keese

Contracting Officer

NCO 9/Robley Rex VA Medical Center

b. <u>Director of Contracting / Designee (Required over\$150K but not exceeding \$300K):</u> I certify the justification meets requirements for other than full and open competition.

Douglas Crowley 446500	Digitally signed by Douglas Crowley 446500 Date: 2018.02.12 16:24:59 -06'00'		
Douglas Crowley	Date		
Branch Chief-Construction (West)			
Network Contracting Office (NCO) 9			

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