

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA261-18-AP-4654

1. **Contracting Activity:** Department of Veterans Affairs, VISN 21, Sierra Nevada Health Care System.
2. **Nature and/or Description of the Action Being Processed:** We will be establishing a firm fixed price contract for maintenance of DRX Revolution mobile x-ray machines at the at the Reno Medical Center under the Sierra Nevada Health Care System.

FAR13.5 Simplified Procedures for Certain Commercial Items: This procurement is for x-ray maintenance services 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 contract will be for maintenance services of DRX Revolution mobile x-ray machines at the VA Sierra Nevada Health Care System. The estimated amount is [REDACTED] for a period of performance consisting of a base year plus four option years from April 1, 2018 to March 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;

FAR13.5 Simplified Procedures for Certain Commercial Items: The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2)..

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

The procurement falls under Part 13, which is exempt from the requirements under Part 6. FAR 13.103-1(b)(1) states that "Contracting officers may solicit from one source if the contracting officer determines that the circumstances of the contract action deem only one source reasonably available." The circumstances of this contract deem only one source reasonably available.

Carestream Health, Inc. is the manufacturer of the DRX Revolution Mobile X-ray. The equipment uses a software program called DirectView which is a proprietary program and only Carestream field engineers can operate within this software program. For this reason, no other vendor would be able to perform these maintenance services and Carestream is the only source reasonably available.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:**

Market research efforts were performed by reviewing the VetBiz vendor database under the applicable NAICS code. As expected we did not find any vendors who provide these services. We did locate a Veteran Owned Small Business who serves as a distributor for Carestream equipment, but that vendor does not provide services related to the equipment. The vendor's capability statement on VetBiz states that all services would be performed by the OEM, which is Carestream.

In addition, we also posted a Sources Sought notice on FedBizOpps seeking potential sources. The only vendor who responded to the notice was a rep from Carestream. No other vendors responded. The lack of a response from the industry serves as support towards the rationale that these services are only available from Carestream.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The vendor has several VA contracts that have gone through a fair and reasonable determination. We will use the techniques available under FAR 13-106-3(a) to determine if the quote is reasonable.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** We have several contracts within Network Contracting Office 21 with Carestream for these maintenance services. Based on the ongoing market research, these services are only available from Carestream due to the proprietary software. If the market conditions were to change, then we would revise our approach for these services. A Sources Sought notice on FedBizOpps was posted but we still did not locate other potential sources.


9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** None

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

Carestream Health Inc., 150 Verona St, Rochester, NY 14608. DUNS: 793169512

- 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:** There are not any actions that the VA could take to overcome the barriers to competition. The OEM for this equipment uses proprietary software and we cannot mandate that they use a different software program for their equipment. It is also common within the medical equipment industry to use proprietary software and this is not a unique situation specific to Carestream. We have contracts with Siemens, Philips, Toshiba, etc. and it is common to see vendors use proprietary software in this sector of the commercial marketplace.

- 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.



Rodney Stafford
Biomedical Equipment Support Specialist

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

Contracting Officer's Certification: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Michael P.
Hodahkwen
1024447

Digitally signed by Michael
P. Hodahkwen 1024447
Date: 2018.03.12 12:28:45
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Michael P. Hodahkwen
Contracting Officer

One Level Above the Contracting Officer: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

MARK J.
MIKUS 140783

Digitally signed by
MARK J. MIKUS 140783
Date: 2018.03.12
12:39:19 -07'00'

Mark J. Mikus
Branch Chief