

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

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA256-17-AP-1305

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 16, Overton Brooks VA Medical Center, Shreveport, LA; 2237: #667-18-3-515-0235.
2. **Nature and/or Description of the Action Being Processed:** Engineering Service is requesting a contract for maintenance and repair services for three Toshiba ultrasounds, one Toshiba Ultimax X-ray system, and one Toshiba Aquilion Computed Tomography system located at the Overton Brooks VA Medical Center, Shreveport, LA. This is a new contract, to include a base year plus four option years. It will be awarded as a firm-fixed-price contract.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The Overton Brooks VA Medical Center (OBVAMC) requests Toshiba America Medical Systems (TAMS) to update and maintain proprietary high tech medical equipment for the facility located in Shreveport, LA. The contractor shall provide preventive maintenance and inspections on three ultrasounds, one x-ray system, and one Computed Tomography system, to include detector coverage and unlimited replacement of CT x-ray tubes, in addition to updates to manufacturer software, firmware and hardware, as required. The total estimated base period is \$115,058.34. The total estimated costs, including options years, is \$1,035,525.06. The period of performance is anticipated for April 1, 2018 through September 30, 2018, with four 12-month option years.
4. **Statutory Authority Permitting Other than Full and Open Competition:**
 - (X) (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):**

This is requirement is for services for highly specialized diagnostic imaging equipment. TAMS is the original equipment manufacturer; therefore, they have proprietary knowledge of the systems. They have trained Engineers who provide proprietary documentation and diagnostic tools that supports them in troubleshooting the Toshiba systems, which allows for expedited repair times. The CT

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system is used to perform emergency cardiac and neurological scans to determine the course of treatment for patients. There are no other systems with equal diagnostic capabilities. Prolonged downtime of this system could result in prolonged suffering of patients and/or costly outsourcing of diagnostic studies to other facilities. TAMS is the only company with a VPN remote connectivity capability (subject to VA approval) which is essential to system uptimes. Additionally, TAMS is the only company that can provide manufacturer's updates to software, hardware and firmware to address FDA recalls and ensure better functionality of the systems. There are no other vendors who can offer these required updates for this equipment. The equipment and software is proprietary to TAMS and can only be maintained by them. Any other company would require installation of new equipment and software; therefore, it is not advantageous to the government to duplicate costs by using competition.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** A Sources Sought Notice (36C256Q9209) was issued via FedBizOps, Feb. 24, 2018, seeking SDVOSB, VOSB, or Small Businesses capable of providing all tools, labor, transportation, supervision, and parts including glassware, as necessary to provide full maintenance and repair services including PM inspections for the Toshiba equipment. One SDVOSB responded stating they could provide the requested services, and provided their capabilities statement. However, TAMS is the original equipment manufacturer, which makes this system proprietary to TAMS only. They do not have SDVOSB, VOSB or small business vendors authorized to provide these services. These services are covered on the High Tech Maintenance Equipment (HTME) contract list where price has already been determined fair and reasonable.
7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** Based on the IGCE submitted by the service, and Toshiba's Maintenance Price book retrieved from the HTME website, the anticipated cost is considered fair and reasonable. These services were previously competed by National Acquisition Center (NAC), prices were deemed fair and reasonable.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research was conducted using VetBiz Registry, SBA Dynamic Small Business System, FPDS-NG, and the HTME website. TAMS has a NAC contract in place on the HTME website (SPE2D1-17-D-0022). The referenced equipment is covered under this contract. This contract has previously been competed, and the pricing is considered fair and reasonable.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** A search of FPDS-NG resulted in two contracts that were done by the Department of Veterans Affairs, both using sole source set-asides for Toshiba maintenance requirements. Also, these Toshiba medical imaging systems are used to diagnose internal diseases to include cancer and cardiomyopathy. Due to the high cost of repair parts and labor, and criticality of these systems to the diagnostic services we provide, a full-service contract is warranted. TAMS is the manufacturer of this equipment. They alone have access to and knowledge of the proprietary tools and service techniques required to ensure these imaging systems are operating in accordance with manufacturer's specifications. These systems require periodic updates to software and hardware to ensure safe and effective operability. TAMS is the only service provider capable of providing the required updates for these diagnostic imaging systems.

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

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:**

No actions may be taken to overcome barriers to this acquisition. However, should it be determined that NCO16 has a future requirement for this type of request, the Contracting Officer will conduct a market survey to determine if any businesses can provide the requested services.

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.

James R Slepicka
369226
Digitally signed by James R Slepicka 369226
Date: 2018.03.16 09:11:39 -05'00'
Jim Slepicka
Chief, Biomed Section
Station 667/Shreveport, LA

March 16, 2018

Date

13. **Approvals in accordance with the VHAPM Part 806.3 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.

Danette R. Impey 224540
Digitally signed by Danette R. Impey 224540
Date: 2018.03.16 10:04:01 -05'00'

03/16/2018

Danette R. Impey
Contract Officer NCO16
Station 520/Biloxi, MS

Date

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.

AARON VILLALPANDO 178014
Digitally signed by AARON VILLALPANDO 178014
Date: 2018.03.22 09:33:19 -05'00'

Aaron Villalpando
Director of Contracting
NCO16

Date

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- 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 recommend approval (if over \$68 million) or approve (\$700K to \$68 million) for other than full and open competition.

Randy L.

Hays 534204

Digitally signed by Randy
L. Hays 534204
Date: 2018.04.03 13:21:51
-07'00'

Randy L. Hays

Acting Director, SAO Central Region

SAO Central Head of Contracting Activity (HCA)

Date