

DEPARTMENT OF VETERANS AFFAIRS
Justification and Approval (J&A)
For
Other Than Full and Open Competition (>SAT)

Acquisition Plan Action ID: VA263-18-AP-8386, Philips Patient Monitoring System Upgrade.

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 23, 1303 5th St. Suite 300, Coralville IA 52241.

Requesting Activity: Black Hills VA Health Care System.

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

This procurement is to upgrade software, hardware and peripheral components of the existing patient monitoring system and is 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. This procurement is to be awarded as new, firm fixed price contract.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:**

Department of Veterans Affairs VISN 23 Black Hills VA Healthcare System in Fort Meade and Hot Springs has identified a need to upgrade its existing patient monitoring system that is designed and manufactured by Philips Healthcare. The estimated value of this requirement is [REDACTED]. The order will include delivery, installation, planning and coordination with the Patient Monitoring Team, functionality configuration, testing, training and demonstration. Implementation of the above will be planned and coordinated by both parties.

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

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

Only one Brand-Name Manufacturer and No Other Brand-Name Supplies or Services Will Satisfy Agency Requirements per 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 Black Hills VA Healthcare system has a need to procure the materials and services necessary to upgrade the existing patient monitoring system in their Telemetry, ICU and Emergency Departments at the Fort Meade and Hot Springs facilities. The system currently being used is copyrighted and produced by Philips Healthcare and enables networking and communication between individual

patient monitor devices with computers at central stations. Additionally, health information and data is transferred to the VA Network and patient records.

This upgrade applies mostly to: software, security, interfacing improvements, visual tool improvements for monitoring cardiac and patient stability, database support, media kits, video upgrades, clinical configurations, connectivity, wireless telemetry, some hardware changes, and new computer monitors. Current patient monitoring units will remain (software will be upgraded). Established cabling will remain. Some computers will remain (software will be upgraded).

Some components of this upgrade are implemented via remote connection using Philips Remote Services Platform.

The current patient monitoring system is well integrated with the VA System. It has been vetted and has been determined to meet VA technical needs and security specifications. Its ability to interface with, and transfer data to, our VA network accurately and reliably is established. The hospital providers, IT, ISO, Biomedical Engineering personnel have been trained and are familiar with it. Philips and the VA have established remote access infrastructure allowing Phillips to remotely perform preventive maintenance and security measures and problem detection.

Philips Healthcare has an established and active ISA-MOU (Information Security Agreement Memorandum of Understanding) and BAA (Business Associate Agreement) currently in place with the VA.

The proprietary nature of the existing system's software packages by Philips prohibit any attempt to address the system's deficiencies with an upgrade by a different company.

And, to replace the whole patient monitoring system as established and described above, would amount to a duplication of cost to the government that is not expected to be recovered through competition.

The only firms capable of supplying Philips Healthcare upgrades to Philips Patient Monitoring Systems without incurring duplication of cost are Philips Healthcare and its authorized distributors who sell its brand-name products.

Therefore, this office concludes that this upgrade package with its brand-name line items, are essential as the description of this requirement and precludes consideration of a product manufactured by another company.

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

Philips Healthcare and its authorized distributors are the only firms capable of satisfying this requirement. The company has confirmed they sell their own product and that they have multiple authorized distributors. [REDACTED] are service disabled veteran owned small businesses. There is an email to this effect from Philips uploaded in the briefcase of the requirement.

7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:**

This office is confident it can use competitive set-aside procedures as a way to obtain fair and reasonable pricing.

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 to determine the commerciality of the requested items and concluded that the requirement description for this brand-name upgrade can be satisfied with products available in the commercial market place from authorized distributor that are SDVOSBs.

Market research concluded that there [REDACTED] SDVOSBs that show strong interest and/or history of participating in solicitations for similar requirements. Two of these were contacted directly to gauge interest.

This office concludes that The Rule of Two per the Supreme Court decision Kingdomware Technologies, Inc v. United States could be met for this requirement and therefore procedures to 100% set-aside for SDVOBs will be implemented.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** N/A

10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** N/A

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:**

This office is satisfied that we anticipate purchasing these items as made available by the conditions of the current commercial market place while meeting our goal of satisfying the Rule of Two.

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.

Joshua D.
Harden 643032

Digitally signed by
Joshua D. Harden 643032
Date: 2018.09.04 11:59:23
-06'00'

Name
Title
Facility

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.

DARRYL W MOON
324732

Digitally signed by DARRYL W
MOON 324732
Date: 2018.09.04 14:01:33 -05'00'

Name
Title
Facility

Date

- b. **One Level Above the Contracting Officer (Required over SAT but not exceeding \$700K)**: I certify the justification meets requirements for other than full and open competition.

Adam J. Barnes 1038906

Digitally signed by Adam J. Barnes
1038906
Date: 2018.09.04 14:21:42 -05'00'

Name
NCO/PCO XX Duty Title
Facility

Date