

**JUSTIFICATION AND APPROVAL
FOR OTHER THAN FULL AND OPEN COMPETITION**

1. Identification of Agency and Contracting Activity:

The Strategic Acquisition Center (SAC), Fredericksburg, VA, on behalf of the Department of Veterans Affairs (VA), VA Ann Arbor Healthcare System (VAAHS).

2. Nature and/or Description of Action:

The proposed action is for a sole source firm-fixed-price (FFP) contract with Trilla Med, a Service Disabled Veteran Owned Small Business (SDVOSB). Trilla Med is the only SDVOSB distributor for GE Healthcare (GEH), for the acquisition and installation of a physiological patient monitoring and telemetry system (PPMTS) that is compatible with the facility's existing GEH Muse Cardiology Management System (MCMS). The procurement also includes training, maintenance and support services for this equipment at the VA Ann Arbor Healthcare System (VAAHS). The Period of Performance (PoP) of this contract is 270 calendar days from award.

3. Description of Supplies or Services:

The current VAAHS Physiological Monitoring and Telemetry System (PMTS) is not compatible with the existing GEH Muse Cardiology Management System (MCMS) and associated peripheral equipment. The GEH Physiological and Telemetry System (GEH PTS) is a hardware and software solution that is comprised of components designed to monitor, collect, analyze and alert clinicians to changes in a patient's pulse, respiratory rate, respiratory volume, body temperature, and blood pressure, and evaluate and compare patients' 12 lead electrocardiogram (ECG/EKG) studies. The estimated value is [REDACTED]. The GEH PTS interfaces with existing peripheral equipment, including GE Dinamap V100 vital signs monitors.

4. Statutory Authority:

The statutory authority permitting other than full and open competition is 41 U.S.C. § 253(c)(5) as implemented by the Federal Acquisition Regulation (FAR) Subpart 6.302-5 entitled, "Authorized or required by statute". The applicable statute is Public Law 109-461: "Veterans Benefits, Health Care, and Information Technology Act of 2006," (specifically, the "Veterans First Contracting Program" outlined in 38 USC § 8127(c)).

In accordance with Public Law 109-461, codified at 38 USC § 8127, in order to increase contracting opportunities for small business concerns owned and controlled by veterans and small business concerns owned and controlled by veterans with service-connected disabilities, contracting officers of the VA are given specific statutory authority to award a contract to a small business concern owned and controlled by veterans using procedures other than competitive procedures (i.e. a "sole source" contract).

The contracting officer may award a sole source contract under this authority if "(1) such concern is determined to be a responsible source with respect to performance of such contract opportunity; (2) the anticipated award price of the contract (including options) will exceed the simplified acquisition threshold (as defined in section 4 of the Office of Federal Procurement Policy Act (41 U.S.C. 403)) but will not exceed \$5,000,000; and (3) in the estimation of the contracting officer, the contract award can be made at a fair and reasonable price that offers best value to the United States". 38 USC § 8127(c)(1)-(3).

5. Rationale Supporting Use of Authority Cited Above:

The existing GEH MCMS is a long established system. It contains 27 years of patient data. The system at VA Ann Arbor handles a 12 lead cardiology management system for every VA medical center, hospital and CBOC in the state of Michigan. A new PPMTS must be compatible with the existing GEH MCMS.

Replacing the MCMS system would not only require the replacement of 149 12 lead collection devices dispersed at all Michigan VA facilities, but also the *translation* of 27 years of patient data files to new system specifications. This would cause great risk to the Government, due to the enormous volume of patient data accumulated in 27 years and the essential need to preserve it.

Having a new PPMTS that is compatible with the existing MCMS system will streamline care for our veteran patients. In many instances it will eliminate extra procedures for patients and extra steps in diagnosis for caregivers. Having a new PPMTS that is compatible with this existing MCMS will be much more cost effective than a brand new PPMTS and MCMS from a different contractor.

The PPMTS must interface with peripheral equipment; allowing the system to interface with the existing GE Dinamap V100 vital signs monitors. This effort will address data that is currently collected manually to become automated.

Trilla Med is GE Healthcare's sole SDVOSB distributor for the requirements.

6. Efforts to Obtain/Increase Competition:

A VA Intent to Sole-Source to Trilla Med/GE Healthcare will be publicized on FBO on July 19, 2018. In accordance with FAR Subpart 5.207(c)(16)(i), the VA included in this Notice of Proposed Contract Action a statement that “[i]n accordance with FAR 5.207(c)(16)(i) all responsible sources may submit a bid, proposal, or quotation which shall be considered by the agency.”

The contracting team will promote open or increased competition for this requirement through market surveillance and research prior to executing new procurements.

7. Determination of Fair and Reasonable Pricing:

It is the CO’s determination that fair and reasonable pricing can be obtained in negotiations with Trilla Med. No award shall be made until the Contracting Officer has made the determination that the price is fair and reasonable. This determination will be based on a comparison of current contract pricing, past proposal submissions (if available), other information made available, and an Independent Government Cost Estimate, etc.

8. Market Research:

Market research for this requirement was conducted between 1 Oct 2017 and 30 May 2018. It was determined The most applicable NAICS 334510 Electromedical and Electrotherapeutic Apparatus Manufacturing and PSC 6525 Electromedical The Government published a Request for Information on FBO and received 8 responses. The capability statements for the respondents were reviewed and resulted in the determination that IAW Veterans Benefits, Health Care, and Information Technology Act of 2006, 38 U.S.C. §§ 8127-28 and the VAARVAAR Part 810.001-70 “Rule of Two”, there are not two VOSBs or SDVOSBs that can meet this requirement.

Trilla Med/GE Healthcare was the only respondent with the ability to successfully support the requirement and is a responsible source with respect to performance of such contract opportunity, as required by 38 USC § 8127(c)(1). Based on a search of the VetBiz.gov database, the VA has confirmed that Trilla Med is a verified service-disabled Veteran-owned small business (SDVOSB).

9. Other Facts: None

10. Listing of Interested Sources:

- After Action Medical and Dental Supply LLC
- Alliant Healthcare Products LLC

- Avkare Inc.
- Four Points Technology LLC
- Janz Corporation LLC
- Phillips Healthcare LLC
- Spacelabs Healthcare LLC
- Trilla Med/GE Healthcare LLC

11. Actions Taken to Remove Barriers to Competition:

Future acquisitions for this requirement will be handled on a case-by-case basis. Toward the expiration of this contract, consideration will be given as to whether the future acquisition should be competitive.

12. Certifications:

Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Date: 7/3/2018

[REDACTED]
[REDACTED]
Program Manager
Ann Arbor Biomedical Engineering

Fair and Reasonable Cost Determination: I hereby determine that the anticipated price to the Government for this contract action will be fair and reasonable based on FAR Subpart 15.4 (Contract Pricing).

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

Date: 7/3/2018

[REDACTED]
[REDACTED]
Contracting Office
Strategic Acquisition
Center

Legal Sufficiency Certification: I have reviewed this justification and find it adequate to support other than full and open competition and deem it legally sufficient.

Date: 7/5/2018

[REDACTED]

[REDACTED]

Office of General Counsel

Competition Advocate and/or HCA: In my role as Executive Director of the Office of Acquisition Operations, Competition Advocate, and Head of Contracting Authority; and based on the foregoing justification, I hereby approve this acquisition on an other than full and open competition basis pursuant to the statutory authority cited in paragraph 4 above, subject to availability of funds, and provided that the property and services herein described have otherwise been authorized for acquisition.

Date: 7/9/2018

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Strategic Acquisition Center