

LIMITED SOURCES JUSTIFICATION

ORDER >SAT

FAR PART 8.405-6

Acquisition Plan Action ID: 36C256-19-AP-3066

1. **Contracting Activity:** Department of Veterans Affairs, VISN 16, Joint Ambulatory Care Center (JACC) Pensacola, Florida 32507

2237# 520-20-1-233-0006

2. **Description of Action:** Requesting approval to award a sole source contract to Philips Medical Systems for Philips Imaging Equipment Maintenance Services under the HTME Contract Below

Order against: ☒ FSS Contract Number:

Name of Proposed Contractor: Philips Medical Systems
Street Address: 22100 Bothell Everett Hwy
City, State, Zip: Bothell, WA 98021
Phone: 864-421-1918
POC Gene Corcoran(201) 274-3315/ gene.cocoran@philips.com

3. **Description of Supplies or Services:**

The estimated value of the proposed action is

This requirement is to facilitate the need for Equipment Maintenance and Repair Services for Philips Diagnostic Imaging equipment and systems. The contractor shall provide all labor, travel, tools, equipment inspection, personnel, and parts required to provide the required maintenance and repair services for the equipment listed below.

Equipment to be serviced/repaired/maintained located at the Joint Ambulatory Care Center (Pensacola) includes:

Brand	Model/Device	Site #	Location	Contract Type
Philips	Rad-Digital Diagnost Dual Detector	42105916	Pensacola	Support

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Original Date: 08/30/2017

Revision 01 Eff Date: 04/23/2018

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Philips	Rad-Digital Diagnost Dual Detector	42105914	Pensacola	Support
Philips	Easy Diagnost Eleva DRF rel 5	65458094	Panama City	Support
Philips	X-ray - Corado Eleva	47671708	Pensacola	Support
Philips	RF- EasyDiagnost Eleva DRF	41446797	Pensacola	Support

(4) IDENTIFY THE AUTHORITY AND SUPPORTING RATIONALE (see 8.405-6(a)(1)(i)(A), (B), and (C) or 8.405-6(b)), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE. (CHECK ALL THAT APPLY AND COMPLETE)

☐ An urgent and compelling need exists and following the ordering procedures would result in unacceptable delays.

☒ Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized.
Philips Healthcare has the legal rights to proprietary equipment and software; OEM parts/supplies and factory trained certified technicians. Use of any other source other than Philips Healthcare would void the equipment warranty. Also, the mandatory hardware and software upgrades must be provided by a qualified field service engineer.

☐ In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☒ Items peculiar to one manufacturer:

☒ A patent, copyright or proprietary data limits competition. The proprietary data includes Hardware, Software and OEM Parts

☒ These are "direct replacements" parts/components for existing equipment. Failure to use OEM parts could result in risk to the Government in patient safety as well as unexpected cost.

☐ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

Market Research, details of which are contained in paragraph 6 below, was conducted to determine the availability of sources for the proposed requirement. The results of the market research show that Philips is the only source capable of providing the required services. Competition is not practicable, IAW FAR 8.405-6(a)(1)(c). In the Interest of economy and efficiency, the new work is a logical follow on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The price is considered fair and reasonable based on the requirements stated in FAR 8.404(d). The NAC has determined the prices for fixed-price services, and rates for services offered at hourly rates, to be fair and reasonable.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

A search on VetBiz using the NAICS 811219 and keywords "Maintenance of Philips imaging equipment " showed 60 vendors matching the search criteria. The search was repeated for VOSB providing an additional 19 vendors matching the search data. The FPDS-NG Search shows that 6210 historical procurements were done by the department of Veterans Affairs for this equipment all to Philips. This information led the Contracting Officer (CO) to view the High Technical Maintenance Equipment (HTME) link. Here the CO found the VA NAC contract that specifically covers this equipment maintenance. The CO confirmed the procurement, service and pricing for the equipment on the data provided from the site. RFI Was issued on 08/27/2019 to determine if any vendors were interested in competing for the requirement. No responses were received. Market Research shows that the Government has awarded a contract with Philips to obtain these services. This imaging equipment is still under warranty, repair or maintenance by another company would void the warranty .Philips Healthcare has also provided documentation to the fact that they are the manufacturer and provider of the OEM parts (SEE ATTACHED).

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION: The HTME Contracts have already considered the rule of two and determined price fair and reasonable.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

Full and open competition may be sought when the hardware and software required for the equipment is no longer proprietary. It would not be cost effective to replace Philips Healthcare imaging equipment to a brand which does not have proprietary rights. The purpose of the HTME contracts was to set vehicles in place for the VA and DLA to utilize for the equipment purchases and Maintenance. This created uniformity among the facilities that possess the same equipment. These contracts also limit the Governments risk with damage and IT Security exposure.

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(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM Part 806.3 OFOC SOP:

a. CONTRACTING OFFICER'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

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

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HIGHER LEVEL APPROVAL (Required /or orders over \$700,000):

c. **VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$68 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.