

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. Contracting Activity:

U.S. Department of Veterans Affairs
Veteran's Health Administration
Network Contract Office (NCO) 15
4101 S 4th St Trafficway
Leavenworth KS 66048

589-13-3-2761-0054 (Topeka), 589-13-3-4731-0051 (Wichita), 589-13-3-5686-0039 (Columbia), 657-13-3-2750-0065 (Marion) – Anesthesia Equipment Maintenance & Repair Services

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

Establishment of a sole source, firm-fixed-price contract for OEM full service maintenance and repair of installed Datex-Ohmeda brand anesthesia equipment and ancillary equipment on-site at the Marion IL, Columbia MO, Wichita KS, and Topeka KS VA Medical Centers. Proposed contractor:

Datex-Ohmeda Inc.
A Division of GE Healthcare Bioscience Bioprocess
3030 Ohmeda Dr

The contract will consist of a base and four (4) optional years to commence 5/1/2013, with a total estimated contract price of \$382,800.00, to furnish full service maintenance and repair of Datex-Ohmeda brand anesthesia equipment on-site at four VISN 15 VA Medical Centers.

This contract will replace existing contract VA255-P-0380 which was a sole source acquisition awarded to Datex-Ohmeda Inc. commencing 11/1/2007 and expiring 4/30/2013 with a total five year contract amount of \$412,465.12. The previous contract was for services provided to five facilities. The new contract will be four facilities, excluding Leavenworth VAMC which has acquired a different brand of equipment that cannot be maintained by Datex-Ohmeda.

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

The services required are for the furnishing of full service maintenance and repair of installed Datex-Ohmeda brand anesthesia equipment and ancillary equipment on-site at the Marion, Columbia, Wichita, and Topeka VA Medical Centers. Coverage includes all parts, installation, calibration, labor, and travel, tools, test equipment and other incidentals necessary to maintain or restore the listed equipment to operating specifications according to manufacturer's recommendations throughout the term of the contract

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;

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

Datex-Ohmeda is uniquely qualified to provide these services to VISN 15 VA Medical Centers based upon the following:

- a. The proper maintenance, repair and calibration of the anesthesia equipment is extremely critical because equipment that is not properly maintained, tested and calibrated can result in the delivery of hypoxic gas mixtures, excessive doses of inhalational agent, or hypoventilation due to ventilator failure. The most common outcomes of ventilator equipment failure are either death or brain damage to patients. Having this equipment operate properly is therefore critical to the health of patients. There is no room for any possible failure of parts, miscalibration or deviation from established maintenance or repair standards. Only factory trained and certified technicians, utilizing diagnostic software specifically designed for the equipment, and the utilization of Original Equipment Manufacturer (OEM) parts can assure that this critical equipment operates properly.
- b. Datex-Ohmeda has the legal rights to propriety equipment diagnostic software. Failure to utilize the propriety diagnostic software may result in the inability to identify equipment operating parameters and the inability to accurately calibrate the equipment.
- c. Datex-Ohmeda has access to OEM parts and supplies. Failure to utilize OEM parts may result in the improper operation of the equipment. Other vendors may have access to the required OEM parts, but they do not stock the full range of parts that is required to assure the maximum response times required by the VA Medical Centers. Only Datex-Ohmeda maintains a full inventory of spare parts
- d. Datex-Ohmeda has factory trained and certified technicians who are specifically qualified to work on Datex-Ohmeda equipment. GE Healthcare does not contract with any third party service providers.

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

Datex-Ohmeda Anesthesia Eq Maint

Sources Sought announcement #VA255-13-I-0398 was published in FedBizOpps commencing January 24, 2013 and was closed February 5, 2013 as required by FAR Subpart 5.2.

The announcement stated in part:

“The Department of Veterans Affairs, Network Contracting Office (NCO) 15, Leavenworth KS 66048 is currently conducting a market survey to identify possible sources capable of providing “Full Service Preventive Maintenance (PM) and Repair of government owned Datex-Ohmeda brand anesthesia systems and ancillary equipment” on-site at the VA Medical Centers in Wichita KS, Leavenworth KS, Topeka KS, Columbia MO and Marion IL.

NAME/DESCRIPTION OF EQUIPMENT:

EQUIPMENT - Anesthesia Machines and ancillary equipment

MANUFACTURER – Datex-Ohmeda Inc., GE Healthcare Bioscience Bioprocess

MODELS - Aestiva/5 7900; Aestiva 3000; S/5 Anesthesia Monitor rev 02 and rev 03

The prospective contractor will be responsible for:

- (1). Two (2) preventative maintenances per year, consisting of cleaning of equipment, reviewing operating system software diagnostics to ensure that system is operating to the manufacturer's specifications, calibrating and lubricating the equipment, performing remedial maintenance of non-emergent nature, test and replacing faulty and worn parts and/or parts which are likely to become faulty fail or become worn, adjusting and calibrating as necessary, inspecting electrical wiring and cables for wear and fraying, inspecting all mechanical components including patient restraints and support devices, chains, belts, bearing and tracks, interlocks, clutches, motors, mechanical integrity, safety, and performance and performing electrical safety inspections, which should include line cord ground wire resistance and leakage.
- (2). Providing unlimited telephone technical support and all required parts.
- (3). Providing Original Equipment Manufacturer (OEM) authorized /certified technicians to accomplish the required service.
- (4). Have access to and furnish new Original Equipment Manufacturer (OEM) or OEM approved parts and supplies.
- (5). Providing response via telephone within two (2) hours and on-site at any of the five different VA Medical Centers within twenty-four (24) hours of notification. The contractor shall be capable of providing coverage 24 hours/day, 7 days/week and all holidays

Datex-Ohmeda Anesthesia Eq Maint

The North American Industry Classification Systems (NAICS) is 811219 (Other Electronic and Precision Equipment Repair and Maintenance) and the standard size is \$19.0 Million. The Product Service Code (PSC) is J (Maintenance, repair & rebuilding of equipment). Responses to this notice must be submitting in writing (email or fax) and must be received not later than January 30, 2013 at 4:00PM CST. Email: larry.buell@va.gov and Fax: (913)946-1998 (Attn: Larry Buell, General Services). No telephone inquiries will be accepted. “

No responses were received and no potential contractors chose to identify themselves in the “Interested Vendors List”.

No replacement or new requirements for the Datex-Ohmeda equipment is presently budgeted for or forecast.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable.

The anticipated five year price (base and four option year extensions) for the services is \$382,800.00. The Contracting Officer will determine that the anticipated price(s) will be fair and reasonable by requiring the contractor to provide a written quote and additional information (other than cost or pricing data), which will include commercial price lists and prices for similar or the same services provided to other customers, to assist the Contracting Officer in determining if the contractor's proposed prices are fair and reasonable for the services being provided. The final price(s) will be negotiated. The Contracting Officer anticipates that the final prices(s) will be fair and reasonable.

8. Description of the Market Research Conducted and the Results or a Statement of the Reasons Market Research Was Not Conducted.

Sources capable of providing Datex-Ohmeda OEM service and parts were sought. Reviewed GSA Advantage and schedules library, Small Business Administration Quick Market Search, VetBiz , reviewed existing FBO postings, published a Sources Sought on FBO, contacted VISN 8 concerning one of their recent similar acquisitions, reviewed FBO notices declaring sole sources agreements with Datex-Ohmeda, utilized on-line search engine Google for existing contracts or agreements, reviewed GE Healthcare Bioscience site to review maintenance agreement terms and conditions, searched the WEB for pricing information and economic forecasts, searched System for Awards Management (SAM). No vendors capable of providing the required services with the propriety equipment diagnostic software, OEM parts and within the required repair response time were identified except Datex-Ohmeda Inc. No other vendors were identified, no responses were received and no potential contractors chose to identify themselves.

As described in Section 5 above, market research, in accordance with FAR Part 10, was conducted by posting a Sources Sought in FBO soliciting inquiries from interested parties.

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

Datex-Ohmeda Anesthesia Eq Maint

Failure to properly and timely maintain the installed Datex-Ohmeda Anesthesia equipment will endanger the health of beneficiaries being served by the Department of Veterans Affairs. These services are considered to be critical to the health of patients receiving anesthesia during surgical procedures. The health of the veteran beneficiary is of paramount importance in this acquisition and any factors which may influence the quality of care to the beneficiary is a critical consideration. The VA Medical Centers must be able to provide critical healthcare to veteran beneficiaries in the safest possible manner.

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

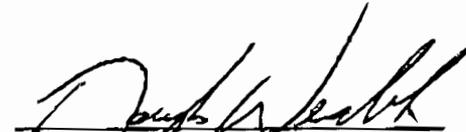
No responses have been received and no potential contractors have chosen to identify themselves.

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:

Unless the manufacturer chooses to license its software and authorize local service providers to maintain test and calibrate its equipment sometime in the future, the only alternative that may be available to us is to replace the existing Datex-Ohmeda brand equipment with a more generic brand that may have a wider installed base and which does not have proprietary software. However, considerations other than sole source must be considered when contemplating replacement, specifically the anticipated remaining life span of the presently installed equipment, need for sufficient budget to acquire replacement capital items, the need to provide the most reliable and best equipment for the price, and the availability of quality maintenance and repair services. Right now the four facilities participating in this contract are satisfied with the quality and operation of the installed equipment, its maintenance and repair, and they do not have sufficient budget to replace the equipment.

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.

Datex-Ohmeda Anesthesia Eq Maint


Name: Doug Weable

4-12-13
Date

Title: Bio-Med Equipment Support
Facility: Harry S Truman Memorial Veterans Hospital
Columbia MO

13. Approvals in accordance with FAR 6.304

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


Name: Larry A Buell

04-12-2013
Date

Title: Contract Specialist
Facility: General Services,
Network Contracting Office (NCO) 15

- b. NCM/PCM (Required \$3K and above): I certify the justification meets requirements for other than full and open competition.


Name: Christine L Scena

4-19-2013
Date

Network Contract Manager
Network Contracting Office (NCO) 15