

JUSTIFICATION AND APPROVAL  
FOR LIMITED SOURCE AWARD  
UNDER FEDERAL SUPPLY SCHEDULE

1. Contracting Activity: Department of Veterans Affairs  
Office of Acquisition Operations  
Strategic Acquisition Center  
10300 Spotsylvania Avenue, Suite 400  
Fredericksburg, VA 22408
  
2. Description of Action: The proposed action is a sole source, firm fixed price, FSS order of a Philips IntelliVue Patient Monitoring System for Veteran's Administration Medical Center (VAMC) in Augusta Maine. The estimated value of this system upgrade is \$408,532.15.
  
3. Description of the Supplies or Services: An upgrade to the existing Philips IntelliVue Monitoring System is being procured for VAMC Maine. This upgrade will include additional and replacement hardware to expand the availability and functionality to the existing physiological patient monitoring system.

Philips IntelliVue Monitoring System provides powerful monitoring capabilities and essential measurements to match the needs of the Maine Healthcare system. The procurement of this equipment provides necessary updates, in accordance with, FDA requirements, as well as, it is a seamless integration with the existing physiological patient monitoring system.

4. Authority: The statutory authority permitting this action is Federal Acquisition Regulation (FAR) Part 8.405-6(a)(1)(i)(B), 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.

5. Rationale for Authority Cited: If components other than those compatible with Philips IntelliVue Patient Monitoring System were procured they would not operate with the existing system in place. Using equipment provided by companies other than Philips would require a complete replacement of the existing physiological patient monitoring system. The time and cost to replace all Philips' equipment and properly train personnel would exceed the cost to purchase the Philips IntelliVue system parts for this upgrade and compromise patient care and safety.

To ensure compatibility with the existing equipment, parts and components, this procurement will be solicited as Phillips product through VA NAC Federal Supply Schedule 65II A, which will provide the best value to the Government.

6. Efforts to Obtain Competition: VA conducted market research, details of which are in paragraph 8, market research section of this document. None of these efforts yielded additional sources capable of meeting the Government's requirements.

7. Actions to Increase Competition: In order to remove or overcome barriers to competition in future acquisitions for this requirement, the agency would have to replace the entire physiological patient monitoring system. The time and cost to replace all equipment and the down time associated with training technicians would not be cost effective. Therefore, no other source is capable of providing the proprietary components required to meet the Government's need.

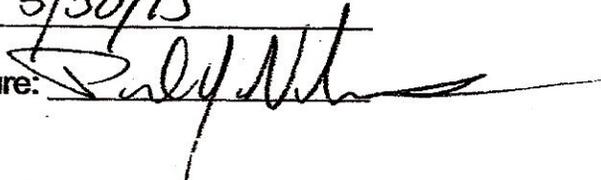
8. Market Research: From April through May, 2013, market research was conducted, to include, consultation with Paula Sollazzo, of Philips Healthcare. The market research findings revealed other companies offer patient monitoring systems; however, they were not technically compatible with the current VAMC Maine infrastructure. On April 4, 2013, Paula Sollazzo, submitted written notice to VA stating "Philips Healthcare is the manufacturer of the IntelliVue Patient Monitoring System. Philips requires only certified parts be used that can meet the original equipment manufacturer specifications and be fully compatible with the existing proprietary networked systems currently used at VAMC Maine."

Only Philips Healthcare can provide a full and seamless integration to the existing patient monitoring system, as they are the only certified supplier for their system upgrade components.

9. Other Facts: The VA Contracting Officer that awarded the FSS contract has already determined that the prices are fair and reasonable. The Ordering Contracting Officer will seek additional price discounts and conduct a price analysis using historical pricing data.

10. 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.

Paul Neuhaus  
Project Manager

Date: 5/30/13  
Signature: 

11. Determination of Best Value: I hereby determine that the proposed contract action will represent the best value to the Government. Philips offered price discounts and special pricing on several items which resulted in a net price lower than its FSS prices.

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

Antoinette Clay  
Contracting Officer

Date: 6.10.13  
Signature: 