

**Sole Source Justification and Approval
Under FAR 13.501**

- 1. Contracting Activity:** U.S. Army Medical Command
Health Care Acquisition Activity
Regional Health Contracting Office – Pacific
Bldg. 339, Clark Road
Fort Shafter, Hawaii 96858-5098
- 2. Description of Action:** This is a follow on requirement for a Firm-Fixed Price contract for the annual maintenance services to support the Rees Temperature Monitoring System used by Healthcare Equipment Management Branch (HEMB) at Tripler Army Medical Center, NEX Pharmacy, Warrior Ohana Medical Center, Fort Shafter, Building 40 and Scholfield Barracks, Oahu, Hawaii. Defense Healthcare Program (DHP) funds will be used.
- 3. Description of Supplies/Services:** The annual maintenance services is the Government owned Rees Scientific Corp., Refrigeration Monitoring System for the failed modules, optical and thermal calibrations, diagnostic test equipment and repair and/or maintain in a fully functional condition in accordance with the Original Equipment Manufacturrs (OEM) specifications. The contract shall provide and support annual validation certification, maintenance services and education for the Refrigeration Monitoring System located at the six (6) sites, as well as provide updates to the Centron Presidio Software V2 Net and Z3 Net in accordance with all Federal, State, and Installation codes and laws. During the validation service, this service shall include the Fire & Ice Testing of 112 points with in pathology. The period of performance includes a base period (17 October 2018 through 16 October 2019) plus four option year for a total estimated value of [REDACTED].

The anticipated contract will include FAR Clause 52.217-8, Option to Extend Services. If this option is exercised, the total estimated value will be [REDACTED], base year, four (4) one year options and six (6) month extension of services.
- 4. Authority Cited:** 41 United States Code 1901 as implemented in Federal Acquisition Regulation 13.501(a)(1)(ii), sole source under the authority of the simplified procedures for certain commerical items.
- 5. Reason for Authority Cited:** Rees Scientific Corp. is the original equipment manufacturer and the only source provider of the monitoring system with certified and experienced personnel who can perform the annual validation and maintain the equipment in a fully functional condition in accordance with Original Equipment Manufacturers (OEM) specifications. The Enterprise Centron Environmental Monitoring System utilizes software and hardware that are proprietary and trade secret to Rees Scientific and its service team. In order to properly service, validate, update and

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(See FAR 2.101 and 3.104-4)

(25 February 2016)

Rees Scientific Corp., Refrigeration Monitoring System located at Tripler Army Medical Center, NEX Pharmacy, Warrior Ohana Medical Center, Fort Shafter, Building 40 and Scholfield Barracks, Oahu, Hawaii.

maintain the system, Rees Scientific must certify the technicians who work on the software and hardware. Using third party or unauthorized vendors to service or overlay software could compromise the entire system. Validation and system security would be breached if a non-certified vendor worked on the Centron System. Rees Scientific does not sell or provide parts, software, or validation protocols to any outside vendors or distributors. The validation protocols are proprietary and copyrighted solely to Rees Scientific Corporation. Rees Scientific provided a sole source letter dated 5 September 2018.

6. Efforts to Obtain Competition: An RFI was posed in FedBizZOps on 28 September 2018 and all responsible sources were invited to submit capability statement and information which shall be considered by the agency. To date, no responders were received.

a. *Effective competition.* There is no effective competition anticipated for this acquisition.

b. *Subcontracting competition.* Base on a letter from Rees Scientific during market research, the Enterprise Centron Environmental Monitoring System used at the six locations utilizes software and hardware that are proprietary and trade secret to Rees Scientific and its service team. Due to the proprietary nature and no third party availability, there is no subcontracting associated with this procurement to ensure competition.

7. Actions to Increase Competition: The requiring activity will continue to conduct on-going research of the industry market to determine if there are new entrants into this product service arena. Currently the life expectancy for the refrigeration equipment on an average for the six locations is approximately 8 years and the Rees Monitoring System can be used on any make or brand of refrigeration equipment. The Contracting Officer has attached a copy of the prior J&A, J&A 14-012.

8. Market Research: Market research was conducted on 6 September 2018 and has shown that this product is commercial in nature however, no other company can perform the requirements and meets the Government's needs. Query was made on the SBA Dynamic Small Business using variety of word combinations with no results. DoD uses an Enterprise Centron Environmental Monitoring System that utilizes software and hardware that are proprietary and trade secret to Rees Scientific and its service team it is commercial practice for each manufacturer to provide these services for their own systems or by their authorized service providers. Rees Scientific is the only supplier for any new parts to the entire Centron Monitoring System. The validation protocols are proprietary and copyrighted solely to Rees Scientific Corporation.

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9. Interested Sources: Notice required by FAR 5.201 has been posted in FedBizOpps on 28 September 2018 and to date, no other sources have written to express interest. Any bids or proposals received shall be considered.

10. Other Facts:

a. *Procurement history.* Rees Temperature Monitoring and Enterprise Centron Environmental Monitoring System's components and software were previously awarded as a sole source contract to Rees Scientific Corp.

(1) Contract numbers and dates of the last several contracts for these same requirements.

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(2) The competitive status of these actions.

Still non-competitive due to the proprietary nature of the software and components.

(3) Authority previously cited if less than full and open competition was used.

The statutory authority permitting other than full and open competition is 10 USC 2304(c)(2) as implemented by FAR 6.302-1, Only one responsible source and no other supplies or services will satisfy agency requirements.

NOTE: Although paragraph 4 of J&A 14-012 cited 10 USC 2304(c)(2) as the statutory authority for the sole source acquisition, the correct citation is 10 USC 2304(c)(1).

(4) If a justification was prepared to support the procurement made before this one, a summary of the contents of paragraph 7 of the justification for that procurement and an explanation of the results.

Will continue to conduct on-going research of the industry market place to determine if there are new entrants into this product arena.

Due to the proprietary nature of the software and materials it still remains a non-competitive requirement.

(5) If any prior contract for this requirement was accomplished using full and open competition, include a detailed explanation of the changed circumstances causing this action to now limit the sources. N/A

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(6) An explanation of any unusual patterns that may be revealed by the history, e.g., several consecutive, urgent buys. N/A

(7) If a justification was prepared to support the procurement made before this one, briefly describe the circumstances justifying the procurement and whether there have been any significant changes.

Rees Scientific, Inc. as the Original Equipment Manufacturer (OEM), is the only authorized service vendor for furnishing all necessary trained experienced personnel, labor, proprietary tools, engineering upgrades (for safety or performance), diagnostic equipment, parts, materials and supplies to provide the required technical support and expertise for on-site full service maintenance including preventive maintenance.

There hasn't been any significant changes for this product arena.

b. *Other facts.* N/A

Maintenance of
Rees Scientific Corp., Refrigeration Monitoring System located at Tripler Army Medical
Center, NEX Pharmacy, Warrior Ohana Medical Center, Fort Shafter, Building 40 and
Schofield Barracks, Oahu, Hawaii.

11. Technical Certification:

I certify that the supporting data under my cognizance, which are included in the justification are accurate [REDACTED] [REDACTED] knowledge and belief.

[REDACTED]

12. Requirements Certification:

I certify 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.

[REDACTED]

13. Fair and Reasonable Cost Determination:

I hereby determine that the anticipated cost to the Government for this contract action will be fair and reasonable.

I hereby determine that the anticipated cost to the Government for this contract action will be fair and reasonable. The basis for this determination will be price analysis in accordance with FAR 15.404-1(b). Certified cost or pricing data is not required per FAR 15.403-1(b)(3).

[REDACTED]

14. Contracting Officer Certification:

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

[REDACTED]

Control Number: 19-RHCO-P-47

Rees Scientific Corp., Refrigeration Monitoring System located at Tripler Army Medical Center, NEX Pharmacy, Warrior Ohana Medical Center, Fort Shafter, Building 40 and Scholfield Barracks, Oahu, Hawaii.

Approval

Based on the foregoing justification, I hereby approve the procurement of Rees Refrigeration Monitoring System for an estimated total value of [REDACTED], which includes the six (6) month extension of services under 52.217-8, on an other than full and open competition basis pursuant to the authority of 41 U.S.C. 1901 as implemented by FAR 13.501, and provided that the services and property herein described have otherwise been authorized for acquisition.

[REDACTED]

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