Justification for a Sole Source Acquisition
FAR Subpart 13.501

1. **Identification of the agency and contracting activity.**

   a. **Federal agency and contracting activity.** Department of Health and Human Services (HHS), Assistant Secretary for Financial Resources (ASFR), Office of Mission Acquisition Solutions (OMAS)

   b. **Requiring activity.**

   HPC (High-Performance Computing Services) Center for Information Technology (CIT)

2. **Nature and/or description of the action being approved**

   This action is for the award of a sole source contract for the acquisition of an AI-driven medical imaging and analytics tool in support of the National Institutes of Health. The contract will provide the specialized capabilities required to meet the Government's needs as outlined in the Statement of Work, including integration with existing infrastructure and support for mission-critical clinical research activities.

3. **Description of the supplies or services required to meet the agency's needs (including the estimated value).**

   a. **Project title.**

   Ark AI Pilot Services and Licenses

   b. **Project description.**

   The purpose of this acquisition is to obtain software services and licenses for the **ARK AI Pilot**, a critical high-performance computing (HPC) system application, under the PaxeraHealth License with CIT. The objective is to provide the Government with a proprietary, AI-driven medical imaging and analytics platform that enhances diagnostic accuracy, accelerates image processing, and supports mission-critical clinical decision-making. The solution must provide the ability for investigators to develop and implement custom algorithms, create training datasets with annotation capability, and provide inference engine and archival capability for both datasets and algorithms. This acquisition ensures seamless integration with existing HPC and PACS infrastructure, maintains operational continuity, and provides secure, reliable, and scalable software capabilities that cannot be met by any other source.

c. **Proposed contract/order type.**

Firm-Fixed-Price

d. **Total estimated dollar value and performance/delivery period.**

Total Estimated Dollar Value: [redacted]

Period of Performance: 5/15/2026 – 5/14/2027

e. **Name and address of the proposed contractor. PaxeraHealth Corp**
85 Wells Ave, Suite 120
Newton, MA. 02459
United States of America
1-888-430-0005
1-816-817-4648
sales@paxerahealth.com

4. **Identification of the statutory authority permitting a sole source.**

This sole source acquisition is being conducted using the procedures of FAR Part 12 and FAR Subpart 13.5 in accordance with 41.U.S.C 1901 for a commercial item not exceeding $7.5 million. Acquisitions conducted under simplified acquisition procedures are exempt from the requirements in Part 6. In accordance with FAR 13.106-1(b) and FAR 13.501(a) contracting officers may conduct sole source acquisitions if the need to do so is justified in writing.

This sole source justification is prepared using the format at FAR 6.303-2, modified to reflect the procedures in FAR subpart 13.5 were used.

5. **Proposed contractor's unique qualifications or nature of the acquisition requires use of the authority cited.**

The nature of this acquisition is a pilot effort to implement and evaluate an AI-assisted radiology workflow to support the Digital NIH Initiative focused on High Performance Computing and Artificial Intelligence. PaxeraHealth possesses unique qualifications through its integrated AI-enabled ARK imaging platform, proven compatibility with existing clinical systems, and specialized radiology workflow capabilities that enhance efficiency, diagnostic accuracy, and reporting speed. Specifically, PaxeraHealth ARK provides the ability to build, test, and deploy custom AI algorithms for medical imaging. These qualifications are essential to successfully execute the pilot without disruption to ongoing clinical operations.

6. **Description of efforts made to ensure that offers are solicited from as many potential sources as is practicable, including whether a notice was or will be publicized as required by FAR subpart 5.2 and, if not, which exception under 5.202 applies.**

On February 25, 2026, at 8:29 AM, a sole source notice of intent for an AI Pilot Tool was posted on SAM.gov in accordance with FAR Subpart 5.2. The notice invited capability statements from interested vendors to determine whether other sources could meet the Government's requirements as outlined in the posted documentation.

The notice remained active for 10 days, during which two responses were received and evaluated by the program team. One respondent, ACADEN, did not demonstrate capability to perform the required work, as their submission primarily expressed interest in future opportunities rather than addressing the current requirement. The second respondent, NetGuard360, submitted a capability statement; however, upon review, the vendor did not sufficiently demonstrate experience or capability with the specific models identified in the requirement.

Based on the responses received and subsequent evaluation, no other sources were identified as capable of fulfilling the Government's requirement. Accordingly, the Government made reasonable efforts to solicit interest from as many potential sources as practicable.

7. **Determination by the Contracting Officer that the anticipated cost/price to the Government will be fair and reasonable.**

The Contracting Officer has determined that the anticipated price to the Government is fair and reasonable. This requirement is being acquired as a Firm-Fixed-Price (FFP) order, which provides cost certainty and places performance risk on the contractor.

[redacted]
supports the determination that the proposed price is fair and reasonable.

Therefore, based on the comparison to the IGCE, the nature of the requirement, and the Firm-Fixed-Price structure, the Contracting Officer considers the price fair and reasonable.

8. **Description of the market research conducted (see FAR Part 10) and the results, or a statement of the reasons market research was not conducted.**

Market research was conducted in accordance with FAR Part 10 to identify potential sources capable of meeting the Government's requirement. Techniques included reviewing federal contract vehicles (e.g., GSA, NITAAC, NASA SEWP), conducting open market research, and consulting with industry sources to assess

available capabilities. Additionally, a Notice of Intent was posted on SAM.gov to solicit capability statements from interested vendors.

The results of the market research determined that PaxeraHealth is the only vendor capable of meeting the Government's requirements. No other vendors were identified that could provide a solution compatible with the existing NIH High Performance Computing (HPC) infrastructure or deliver the required capabilities, including development and deployment of custom algorithms, dataset creation and annotation, inference processing, and archival functionality. Responses received through the Notice of Intent did not demonstrate the capability to meet these requirements. Accordingly, a sole source award is warranted.

9. Any other facts supporting the justification.

Based on the requirements outlined in the Statement of Work, this effort is critical to support the mission of the National Institutes of Health. The Government conducted market research and publicly posted a Notice of Intent on SAM.gov to identify potential sources capable of fulfilling the requirement. Despite these efforts, no vendors demonstrated the capability to meet the Government's needs. Accordingly, the Government has taken all reasonable steps to promote competition, and the lack of viable responses indicates that competition is not available currently. As a result, a sole source award represents the most appropriate and responsible course of action to ensure timely and effective fulfillment of this critical requirement.

9. Listing of sources, if any, that expressed, in writing, an interest in the acquisition.

- ACADEN
- NetGuard360

10. Statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the required supplies or services.

For future acquisitions of this requirement, the Government intends to promote competition to the maximum extent practicable by pursuing a full and open competition via SAM.gov or utilizing appropriate competitive procedures under GSA contract vehicles. A sole source approach will only be considered if no responsible sources submit proposals or capability statements demonstrating the ability to meet the Government's requirements.

12. Requiring Activity certification.

This is to certify that the portions of this justification that have been developed by the undersigned program office personnel, including supporting information and/or data verifying the Government's minimum needs, schedule requirements and other rationale for other than full and open competition, are accurate and complete.

OFFICIAL	NAME & TITLE	SIGNATURE DATE
Service Area Manager	[redacted]	[redacted]
Contracting Officer's Representative (COR)	[redacted]	
Funds Certifying Official Financial Management Group (FMG)	[redacted]	
Business Transformation Office (BTO)	[redacted]	

13. **Contracting Officer certification and approval.**

This is to certify that the justification for the proposed acquisition has been reviewed and that to the best of my knowledge and belief the information and/or data provided to support the rationale and recommendation for approval is accurate and complete.

Official	Name & Title	Signature	Date
Contracting Officer	Julie Rodriguez	JULIE C. RODRIGUEZ -S Digitally signed by JULIE C. RODRIGUEZ -S Date: 2026.05.12 15:17:43 -04'00'	

14. **Competition Advocate approval.**

Official	Name & Title	Signature	Date
OPDIV Competition Advocate			