

**LIMITED SOURCES JUSTIFICATION
FAR PART 8.405-6(d)¹**

2237 Transaction # or Vista Equipment Transaction #: 540-14-1-070 0001

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source: Provide original manufacturer's name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer/Contractor: Olympus America Inc.

Manufacturer/Contractor POC & phone number: Steven Wendt, 484-896-5436

Mfr/Contractor Address: 3500 Corporate Parkway, P.O. Box 610, Center Valley, PA 18034-0610

Dealer/Rep address/phone number: Dallas Kelley, 800-848-9024 extension 106676

☒ The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs
Louis A. Johnson, VA Medical Center (540)
1 Medical Center Drive
Clarksburg, WV 26301
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VISN:

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

Requesting approval of a task order against a VA FSS schedule for brand name equipment from a sole source provider, Olympus America Inc., for a five-year lease of endoscopic equipment (national VHA standardized equipment) to be used in the Louis A. Johnson VAMC (LAJVAMC) operating room.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

The LAJVAMC needs newer video bronchoscopes, video gastroscopes, video colonoscopes, rhino laryngoscope, video processors, connection cables and other miscellaneous items needed to make the endoscopes functional. The acquisition will be a task order issued against Olympus America's VA FSS contract (V797P-2065D) via its VA NAC approved Master Lease Agreement for a period of 5 years.

(b) ESTIMATED DOLLAR VALUE: \$1,118,929.00

(c) REQUIRED DELIVERY DATE: March 1, 2014

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

☒ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the require-

¹ FAR Version: "As of July 1, 2013"

ments to the exclusion of other sources:

Under FAR 8.405-6(b), the use of limited source procedures for Federal Supply Schedules may be used when only one source is capable of responding due to unique or specialized nature of the work. On December 6, 2010, DUSHOM published a memo, *VHA National Standardization of Endoscopes*, which mandated VA Medical Centers to standardize their endoscopy programs and procure endoscopic equipment via leasing agreements with one of the three major manufacturers—Olympus, Pentax, or Fuji—using their VA FSS contracts. (Fuji does not currently have a VA FSS contract for endoscopes; so, essentially, there are only two endoscope vendors: Olympus and Pentax.) Afterwards, the LAJVAMC entered into a 3-year endoscopy equipment lease agreement with Olympus America, Inc. and took steps towards standardizing its endoscopy program SOPs specifically for the Olympus endoscopy equipment. At that time, Olympus America was preferred because it offered the best endoscopes, as compared to the other two DUSHOM-mandated manufacturers. Currently, Olympus America is still preferred because it offers the best, most advanced endoscopes, according to the LAJVAMC Surgery personnel who use the endoscopes on a day-to-day basis.

(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:

The contracting officer will ensure that the items provided are consistent with Olympus America's VA FSS pricing which has already been determined to be fair and reasonable. Aside from price, Olympus scopes have been used at the LAJVAMC for a many years. These scopes have performed the LAJVAMC's medical staff's expectations. Their performance enhances lives of many of our Veterans. Performance of these scopes is also dependent upon the familiarity of the practitioner (physician) and staff who cleans, tests & stores them. Each of these groups has reached a level of expertise with Olympus scopes to the point of jeopardy to patient safety if acquisition of this brand is deviated. Olympus' past performance here has been proficient, professional, timely, and un-interruptive to Veteran care. Further, Olympus scopes offer technology which is most conducive with physician training and equipment operation. Therefore, the ability to maintain standardization of one brand of endoscopes will facilitate consistent Standard Operating Procedures (SOP) written IAW VHA Directive 2009-004.

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

Market research was conducted on the VA NAC Contract Catalog Search Tool to confirm that the items required are on Olympus America's VA FSS contract and also to confirm that Olympus America is the only VA FSS source for the items required. LAJVAMC has used Olympus scopes for over twenty years with the exception of a couple of years where LAJVAMC used Pentax scopes—during the time that this facility used Pentax scopes there were multiple problems with the scopes. They did not hold up as well under the case load which was significantly lower than our current case load. They were sent out for repair more frequently and the company did not have a quality program for repairs and tracking. All staff is familiar with the proper set-up, use, pre-cleaning, cleaning, and high level disinfecting of the Olympus scopes.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

In FY12, LAJVAMC performed 1,816 endoscopic procedures (1,224 colonoscopies, 516 esophageal-gastro-duodenoscopies, 60 bronchoscopies and 16 flexible sigmoidoscopies). Currently, LAJVAMC is participating in a national VA colonoscopy trial and is required to perform 1,250 colonoscopies per year; participation in this trial is a requirement for LAJVAMC to obtain its cancer accreditation. In order to meet the expected demand of endoscopic procedures, LAJVAMC needs to lease 10 colonoscopes, 7 gastroscopes, 6 bronchoscopes and 3 rhinolaryngoscopes (including the scopes' components, e.g., processors, light sources, scope guides, cables, etc.). The new lease agreement will enable LAJVAMC to return its existing endoscopes and get newer, more advanced endoscopes. Olympus America's *Master Equipment Lease* agreement specifies that the lease must consist of a

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

Brent M. Burns 258222

Digitally signed by Brent M. Burns 258222
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0.9.2342.19200300.100.1.1=brent.burns@va.gov, cn=Brent M. Burns 258222
Date: 2013.10.10 15:03:40 -04'00'

CONTRACTING OFFICER'S SIGNATURE

DATE

Brent M. Burns, Supervisory Contract Specialist
NAME AND TITLE

Station #540, Clarksburg, WV
FACILITY

HIGHER LEVEL APPROVAL (For orders over \$3,000): ☒ REQUIRED ☐ NOT REQUIRED

b. **NCM**: I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

Iachini, Benjamin P

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DN: dc=gov, dc=va, ou=Entities,
ou=InternalStaff, cn=Iachini, Benjamin P
Date: 2013.10.31 11:23:40 -04'00'

10/31/2013

Benjamin P. Iachini, NCM, VISN 4

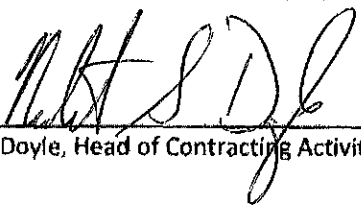
DATE

c. **SAO EAST**: I certify the justification meets requirements for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.


Jeffrey Ryan, Acting Director, SAO East

11/18/17
DATE

d. **VHA HCA'S REVIEW AND APPROVAL**(over \$650,000 to \$12.5 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.


Norbert Doyle, Head of Contracting Activity (HCA)

11/18/13
DATE