6/19/14

14-0122-NCO8-Accelrator Automation (E/O) KMW

Attachment 1: Request for Limited Sources Memo Format

LIMITED SOURCES JUSTIFICATION
ORDER >$3,000
FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 675-14-1-2632-0001

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: ABBOTT LABS INC NAC CONTRACT: V797P-7335A
Manufacturer/Contractor POC & phone number: Carol A. Flanagan O: 703-255-3474
MFR/Contractor Address: 200 ABBOTT PARK RD, AP30-2C DEPT 361, ABBOTT PARK, IL 60064-3537
Dealer/Rep address/phone number: carol.flanagan@abbott.com C: 703-674-6533

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

(1) AGENCY AND CONTRACTING ACTIVITY: Department of Veterans Affairs
13800 Veterans Way
Orlando, FL 32827-7403

VISN: NCO 8

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:
Approval of this FSC group 66 Limited Source procurement IAW VAAR 808.002(3)(iii) for leased Accelerator Automated Processing System (a3600). The requirement is for a base year with four one year options. The tracking system is needed to convert routine manual lab tasks to an automated system. The conversion is needed to support processing increased quantities of tests at a faster pace. Lease vs. buy analysis and market research supports the lease approach (reference section 7 of this document and eCMS briefcase for analysis report).

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

The Orlando VA Medical Center, Laboratory Department identified a need for a track system (accelerator a3600) inclusive of installation, service support (local and remote), and training. In simple terms, the automated track system functions like a preprogrammed assembly line. It is an intelligent specimen routing or rerouting make it unnecessary for a technologist to intervene in the process of deciding where specimens have to be moved in subsequent processes. The tracking system must have the capability to process 3,000+ samples per hour with storage and retrieval capacity of 15,000+

samples per hour. An automated process is needed to support workload increase of current testing volume for the Chemistry department of approximately two million samples per year with anticipated 10% increase per year. The Orlando VA hospital is scheduled to open December 2014. The transition from a small medical center operation to a large multispecialty outpatient clinic requires forward planning. Increased demands, make it necessary to adopt more innovative ways of meeting agency needs and providing first-rate patient care.

(b) ESTIMATED DOLLAR VALUE: $1,990,370

(c) REQUIRED DELIVERY DATE: December 15, 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. (CHECK ALL THAT APPLY AND COMPLETE)

☒ 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 requirements to the exclusion of other sources.

The laboratory automation tracker must offer of pre-analytic, post-analytic, and sample transport functionality. The tracking system must have the capability to process 3,000+ samples per hour with storage and retrieval capacity 15,000+ samples per hour. Other functions required are remote diagnostics, real-time monitoring, and direct rack "point in space" to allow for continual sample tracking throughout the pre-analytical, analytical and post analytical process. This eliminates the need for costly consumables, reduces jamming in instruments and allows the instruments to sample "Point in Space" directly from the automation line. Industry competitors did not offer a point-in-space feature. Also not available through competitor is the Radio-Frequency Identification helpful in reducing the amount of time and labor needed to input data manually and to improve data accuracy for specimen tracking. Current testing volume for Orlando Chemistry department is 1,955,805 samples per year. The output will increase significantly with the opening of the Lake Nona Medical Center. Equipment and services needed to meet the agency's minimum requirements are available only through Abbott Laboratories.

☐ A patent, copyright or proprietary data limits competition. The proprietary data is:
(If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

☐ These are "direct replacements" parts/components for existing equipment.

☒ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

The Medical Center's laboratory uses the Abbott Architect Ci8200. The Architect Ci8200 is an integrated system consolidating clinical chemistry assay and immunoassays on one platform. The Accelerator/tracking system (a3600) serves as an enhancer to the Abbott Architect Ci8200 currently in use at the Orlando VA laboratory. When combined, the Abbott Architect Ci8200 and the Abbott

Accelerator a3600 created a fully automated and supported laboratory system. Competitor models capability to interface with existing system (Architect Plus CI8200) could not be achieved by third-party track system as a result of hardware/software incompatibility. A request for information (RFI), VA248-14-I-0815, coupled with input from industry experts revealed that laboratory tracking systems are specific to each manufacturer. Talks with industry professionals further revealed that it is not customary to mix hi-technology laboratory equipment intended to function cooperatively because of software incompatibility. Patent rights prevent change of parameters. Market research found that incompatibility between manufacturers exists with both hardware and software. Competitors' latest version of a track system did not meet the minimum requirement functions and the upgraded model would not be available until 2015.

☐ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

The Automated Processing System (a3600) meets and exceeds the minimum requirements to support the existing need and has the flexibility to expand to accommodate projected workload increase. Leasing the Accelerator a3600 is more cost effective than replacing the existing components. Funding, logistics, and resources needed to replace existing systems (owned and leased) would incur unnecessary expenditures. The automated processing system and services is available through the Federal Supply Schedule (FSS) with an additional discount off FSS price. The additional discount offers a savings of (17%). Additionally, pricing for equipment and services through the Federal Supply Schedule are already determined to be fair and reasonable.

(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 began with a *Request for Information*, VA248-14-I-0815, was posted to e-BUY. Marketing research did not yield an equal product capable of meeting the minimum requirements as describe in item #4 of this document (i.e., preanalytic, postanalytic, and sample transport functionality). The Request for Information revealed that only one source met the minimum requirements to satisfy agency needs. Additionally, two responders noted that each manufacturer's hi-tech automation system is specific to the manufacturer. Every analytical laboratory operates in a unique manner as does its systems/equipment. Industry experts and competitors shared that the mixing of manufacturer equipment is not doable because laboratory systems cannot interface with one another. Connectivity and compatibility is not doable without first replacing all existing components associated with the total laboratory solution so that hardware and software is supported through a single integrated support system by a single manufacturer. In addition to the request for information a notice of *Intent to sole source* was posted to FBO to which no responds were received.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

Automating the lab process through the use of leased equipment supports expansion capability by having the flexibility to reconfigure layout to accommodate present and emerging needs. Technology is volatile and rapidly changing; ownership of highly technical equipment can be burdensome when technology continue s to evolve and change to the extent that the equipment may be out of date by the end of the term of the lease in 2019. Independent research showed a 10% annual rate of general depreciation for medical equipment (>$200,000). Based on the depreciation findings the tracker system would depreciate 50% at the end of the 5-yr term. The depreciation term is supported by the Modified Accelerated Cost Recovery System (MACRS) released by the Internal Revenue Services.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

Overcoming the barriers that led to the restriction depends on minimum requirements as established by the customer; industry's technical advances and vendor's ability to innovate and compete within its industry/market. All manufacturers who participated in the market research shared that sophisticated lab equipment does not interface with competitors' systems thus suggesting that brand mixing is not feasible. In the future, and if circumstances permit, it would be more advantageous to outfit the laboratory all at once (total-outfitting) as oppose to purchase/lease services or equipment separately.

(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

SIGNATURE | May 28, 2014 DATE

Esther W. Murphy | AO/Acting Chief MT | P&LMS
NAME | TITLE | SERVICE LINE/SECTION

Orlando VAMC
FACILITY

(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(d):

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

CONTRACTING OFFICER'S SIGNATURE | May 28, 2014 DATE

Daniel Pontoriero | Orlando Activation Team
NAME AND TITLE | FACILITY

b. **NCM/PCM/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

TW

SIGNATURE | 9 JUN 2014 DATE

Mitchell Thomas
Network Contract Manager
VISN 08 NCM/PCM

HIGHER LEVEL APPROVAL (Required *For orders over $650,000*):

c. **SAO:** 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.

Jeff Ryan

Digitally signed by Jeff Ryan
DN: cn=Jeff Ryan, o=SAO East, ou=Deputy Director, email=Jeffrey.ryan2@va.gov, c=US
Date: 2014.06.18 16:09:08 -04'00'

SIGNATURE | 6/18/2014 DATE

Jeffrey R. Ryan
Director
Service Area Office, East

d. **VHA HCA 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
Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

6/20/14
DATE