

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 #:** 506-14-4-118-1698 (INSERT)

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: Universal Hospital Services

Manufacturer/Contractor POC & phone number: Lisa Ryder, 248-797-3404

Mfrgr/Contractor Address: 6625 W 78<sup>th</sup> St., Suite 300, Edina, MN 55435

Dealer/Rep address/phone number: 248-797-3404

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

**(1) AGENCY AND CONTRACTING ACTIVITY:** Department of Veterans Affairs  
Ann Arbor Healthcare System  
2215 Fuller Rd.  
Ann Arbor, MI 48105

**VISN:** 11

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

It is the intent of the Ann Arbor Healthcare system to enter into a Firm-Fixed Price contract to lease the Servo-I ventilators (qty. 12). The lease agreement will have the option to buy per FAR 7.402(b)(2). Through market research, it has been determined that Universal Hospital Services is the only schedule 65IIA holder (V797P-4854A) that offers leasing of ventilators.

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

The agency requests a lease of ventilators that are compatible with the current Essentris and EMR systems. It is essential that there is a time period available to ensure they work and interface properly (lease period). The lease will have a lease-to-buy option included per FAR 7.402(a)(2).

(b) ESTIMATED DOLLAR VALUE: \$ 410,601.40

(c) REQUIRED DELIVERY DATE: 10/15/2014

**(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.

Through market research, it has been determined that Universal Hospital Services is the only schedule 65IIA holder (V797P-4854A) that offers leasing of ventilators. The current ventilators are malfunctioning due to an interfacing mismatch with the Essentris and EMR systems. The Servo-I have been shown, through usage at other facilities using them, that they provide a successful remedy to the interfacing issue. It is the intent of the AAHCS to lease these with an option to buy. It must be determined, through the lease period that these ventilators can perform as expected. Once these have had the successful trial (lease) it is the intent to purchase said ventilators. It is in the best interest of the government to use this trial period to ensure compatibility and successful operation. Universal Hospital Services is the only schedule 65IIA holder that provides this opportunity.

☐ 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 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.

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

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**(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 current ventilators are failing to correctly synch with the new Essentris and EMR systems. The opportunity to lease these with the option to buy presents the best value to the government because there is a necessity to use, review, and ensure the ventilators will interface correctly. This is a very serious patient care issue that demands a minimal fail rate with said integration. There are no other mandatory schedule 65IIA schedule holders that have a lease on their contract.

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**(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 by searching GSA Advantage and the Medsurge (NAC) search tool in order to find vendors that offered short term leases that would ensure the successful trial of ventilators while minimizing the risk of purchasing these pieces of equipment and having them fail. It was found on both search tools that Universal Hospital Services is the only one that leases ventilators on a mandatory schedule 65IIA schedule.

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

None

**(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:**

The agency has mandated schedule 65IIA usage. To overcome such barriers, the schedules need to include more leasing companies where the services of the hospital can adequately test and determine the suitability of new systems and equipment without risk of long-term failure.

**(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.)*

Daphne Hawkins  
SIGNATURE

9/30/2014  
DATE

Daphne Hawkins  
NAME

Chief Respiratory Care  
TITLE

Respiratory Care  
SERVICE LINE/SECTION

Pulmonary medicine

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

\_\_\_\_\_  
DATE

\_\_\_\_\_  
NAME AND TITLE

\_\_\_\_\_  
FACILITY

**HIGHER LEVEL APPROVAL: (REQUIRED \$3K and above)**

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

*(Instructions: IAW NCO 11 delegation authority, all procurements estimated to exceed \$650K must be approved by the NCM. Procurements between \$3K and \$650K are to be approved by the Supervisory Contract Specialist of the applicable Team (as the "Designee").*

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Name  
NCO 11 Director of Contracting/PCM/Designee

**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.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
Ricky L. Lemmon  
SAO Director, Central Region

**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 S. DOYLE  
Chief of Procurement and Logistics Officer  
VHA, Head of Contracting Activity

\_\_\_\_\_  
DATE

**e. VA Deputy Senior Procurement Executive Approval (\$12.5 million not to exceed \$50 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

\_\_\_\_\_  
C. FORD HEARD  
Deputy Senior Procurement Executive (DSPE)  
Office of Acquisition and Logistics

\_\_\_\_\_  
DATE

**f. VHA Senior Procurement Executive Approval (over \$50 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 other than full and open competition.

\_\_\_\_\_  
JAN R. FRYE  
Deputy Assistant Secretary  
Office of Acquisition and Logistics  
Senior Procurement Executive (SPE)

\_\_\_\_\_  
DATE