

**DEPARTMENT OF VETERANS AFFAIRS**

**Justification and Approval**

**For**

**Other Than Full and Open Competition**

1. **Contracting Activity:** Department of Veterans Affairs, VISN 11, VAIHCS (Station 550) Medical Center justification for Other Than Full and Open Competition for acquisition 550-15-1-044-0013 Mobile Manager 100 scanning unit for McKesson Prime Vendor ordering.

2. **Nature and/or Description of the Action Being Processed:**

A Sole Source Justification for a Firm-Fixed Price Purchase Order to McKesson for rental of barcode scanners.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The devices specifically are two hand held Bar Code scanners with the McKesson online ordering software loaded onto each device and secured by login/password combination per user. The devices are used to scan the shelves and create daily drug ordering purchase orders. Each MM100 unit will be leased on a per month basis. McKesson is the exclusive national VA contract and their software and devices are exclusive proprietary property encrypted and secured sufficiently to allow secure transmission via internet the daily purchases of the pharmacy service. VA Illiana currently has had these devices for over 3 years and this is a continuation of an ongoing open market lease from October 1 of 2014 through to Sept 30<sup>th</sup> of 2015. The total price is \$3,000.00. McKesson Drug, 1995 McNelsson St., Aurora, IL 60502.

4. **Statutory Authority Permitting Other than Full and Open Competition:**

*41 U.S.C. 3304, as implemented by FAR 6.302-1*

- (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- (2) Unusual and Compelling Urgency per FAR 6.302-2;
- (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
- (4) International Agreement per FAR 6.302-4
- (5) Authorized or Required by Statute FAR 6.302-5;
- (6) National Security per FAR 6.302-6;
- (7) Public Interest per FAR 6.302-7;

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

Only one Responsible Source (FAR 6.302-1)

The McKesson Prime Vendor is a major system and highly specialized for the secure procurement of pharmaceuticals to the VA medical centers. McKesson is the exclusive drug distribution vendor nationally for all VA medical centers. Their hand held shelf scanning devices referred to as MM100 units are exclusive property of McKesson and are encrypted and secured pieces of technology allowed to communicate on the VA network securely to the Prime Vendor. Proprietary nationally utilized software is also contained and utilized on the devices.

No other hardware or software is authorized to execute drug purchase orders or controlled substance drug orders via this secure information exchange. Both account information and drug purchase information must be kept secure. All communications between the VA medical centers and the drug distributions through the uploads and downloads through these devices must be secure and accurate as millions of dollars of drugs and pharmaceuticals are ordered on these devices annually.

Any attempt by the VA or Federal Government to duplicate these devices would be a substantial duplication of cost far above the currently offered vendor pricing and would create substantial delays in direct patient care as pharmaceuticals and supplies must be ordered from the Prime Vendor on a daily basis.

**6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:**

The procurement was not solicited because the scanners are proprietary to McKesson. McKesson does not allow and will not allow any other vendor platform access to their databases or access to the local VA sites accounts. Additionally, VA contracting rules require all VA contracts posted in the McKesson Prime Vendor software to be kept as private and confidential information.

**7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:**

The pricing solicited is fair and reasonable in comparison to past purchase order 550-A49000 - \$3,000.00.

**8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** No market research was conducted as this equipment is proprietary to McKesson.

**9. Any Other Facts Supporting the Use of Other than Full and Open Competition:** None

**10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** McKesson Drug, 1995 McKesson St, Aurora, IL 60502.

**11. A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:**

Continue to survey the market in an effort to locate other source for all future requirements.

**12. 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 and belief.

*Del Siegmund*

9/23/14

\_\_\_\_\_  
Name: Del Siegmund  
Title: Pharmacy Chief  
Facility: Danville

\_\_\_\_\_  
Date

**13. Approvals in accordance with FAR 6.304**

- a. **Contracting Officer's Certification: (required)** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

\_\_\_\_\_  
Name  
Title  
Network 11 Contracting Office

\_\_\_\_\_  
Date

- b. **DOC/PCM (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.

\_\_\_\_\_  
Name  
Director of Contracting/Supervisory Contract Specialist (as appropriate)  
Network 11 Contracting Office

\_\_\_\_\_  
Date

- c. **SAO(If over \$650K):** I certify the justification meets requirements for other than full and open competition.

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

\_\_\_\_\_  
Date

- d. **VHA HCA Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval (if

over \$12.5 million) or approve (\$650K to \$12.5 million) for other than full and open competition.

\_\_\_\_\_  
NORBERT S. DOYLE  
Chief of Procurement and Logistics Officer  
VHA, Head of Contracting Activity (HCA)

\_\_\_\_\_  
Date

- e. **VA Deputy Senior Procurement Executive Approval (over \$12.5 million but not exceeding \$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.

\_\_\_\_\_  
C. FORD HEARD  
Deputy Senior Procurement Executive (DSPE)  
Assistant Secretary for Acquisition and Logistics  
Department of Veterans Affairs

\_\_\_\_\_  
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 for Acquisition and Logistics  
Senior Procurement Executive (SPE)  
Department of Veterans Affairs

\_\_\_\_\_  
Date