

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 #: 583-15-1-054-0024

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: Siemens Healthcare Diagnostics  
Manufacturer/Contractor POC & phone number: 866-323-3468  
Mfgr/Contractor Address: Norwood, MA 02062-4633  
Dealer/Rep address/phone number: Cathy Knutsen 714-655-3235 cathy.m.knutsen@siemens.com

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

(1) **AGENCY AND CONTRACTING ACTIVITY:** Department of Veterans Affairs  
1481 West 10st  
Indianapolis, IN

VISN: 11

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

Reagents and supplies for cost per reportable lab testing on Siemens Centaur machines at the Indianapolis VA Medical Center. The period of Performance for this task order against FSS Contract Number V797D-30175 is Three (3) Months beginning October 1, 2014, with a possible Six (6) month extension, if needed.

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

In order to continue the use of the current lab equipment, the Siemens RXL MAX analyzers requires the supplies and reagents to be shipped regularly to insure the VA ability to run crucial lab tests without interruption. The shipments need to be regular and timely considering forecasted use of the equipment and expiration dates of said supplies.



(b) ESTIMATED DOLLAR VALUE: \$180,000.00

(c) REQUIRED DELIVERY DATE: 10/1/2014

(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. (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.

☐ 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 Chemistry section of the Clinical laboratory is an integral part of the Pathology and Laboratory Medicine Services. Chemistry analyzers perform the bulk of laboratory testing which includes Basic Metabolic Panel, Comprehensive Metabolic Panel, Hepatic Function Panel, Lipid Profile, Renal Profile, Iron and Total Iron Binding, Amylase and Lipase, and Urine Drugs of Abuse. These are required tests for hospitals. The Chemistry section of the laboratory currently performs the majority of chemistry testing on Siemens Dimension RxL Max analyzer. Siemens RXL MAX machines are currently being used and are within their useful life. The only reagents that can be used with these machines are Siemens reagents specified by the manufacturer. The reagents, calibrators, and test kits are designed specifically for each type of analyzer to perform the required testing. No other reagents are designed to be compatible to operate with the Siemens systems than those designed by the manufacturer. These are also the only approved reagents per FDA. The need for these and only these reagents constitutes a proprietary sole/limited source situation and to attempt to vary reagents for use with these machines would taint results and jeopardize patient care.

☐ 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:**

This vendor being the only supplier of these reagents represents the best value to the government because it is the only possible way to utilize these machines for the care of the VA patients. Pricing has been based on past procurements and costs of similar CPRR arrangements in different areas than immunochemistry, only these reagents and supplies will allow the current equipment to operate properly and provide accurate results. The alternative would be to acquire reagents from another manufacturer, which would require the purchase of new equipment for compatibility purposes, and this would neither be cost-effective nor in the Government's best interest.

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

Analysis of pricing to determine price reasonableness has been conducted but no other schedule holder has the access to the proprietary reagents to provide these supplies.

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

The facility is in the process of developing a new long term agreement. In order to continue the required testing services necessary to provide proper patient care, a three (3) Month agreement is requested, with an additional 6 Month extension option if needed. This will allow the facility to continue to provide necessary testing services to maintain a proper level of patient care until a long term agreement can be conducted and awarded.

(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 VA will look to future competition for replacement of this equipment and the reagents needed to run said equipment at a time when the current equipment is deemed to be in need of replacement.  
Abrupt replacement of this equipment is impossible due to 2-3 months of a transition period needed to conduct reference testing which assures a new manufactures equipment will give the VA lab results that can be interpreted in conjunction with other lab systems. This transition period and requirement must be taken into account when proposing future replacements of these machines.

(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.)*

<u>Eric Stovall</u>	<u>09/15/2014</u>
SIGNATURE	DATE
<u>Eric Stovall</u>	<u>Budget</u>
NAME	TITLE
<u>STE-583</u>	<u>Pathology &amp; Lab 113</u>
FACILITY	SERVICE LINE/SECTION

(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.

<u>Kevin P. Adkins</u>	<u>09/19/2014</u>
CONTRACTING OFFICER'S SIGNATURE	DATE
<u>Contract Specialist</u>	<u>Network 11 Contract Office</u>
NAME AND TITLE	FACILITY



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

b. **NCM/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 \$500K must be approved by the NCM. Procurements between \$3K and \$500K are to be approved by the Supervisory Contract Specialist of the applicable Team (as the "Designee").*

Jeri Wapner  
SIGNATURE 583-15-1-054-0024

19 Sep 14  
DATE

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Name  
NCO 11 NCM/PCM/Designee