

LIMITED SOURCES JUSTIFICATION
ORDER >\$3,000
FAR PART 8.405-6(g)

2237 Transaction #s or Vista Equipment Transaction #s: 671-14-3-039-0232

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:

Manufacturer/Contractor: Steris Corporation

Manufacturer/Contractor POC & phone number: John Ostrom 210-632-2370

Mfr./Contractor Address: 5960 Heisley Road, Mentor, OH 44090-1834

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

Veterans Health Administration

Network Contracting Office (NCO) 17

5441 Babcock Road, Suite 302

San Antonio, TX 78240

VISN:

17

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

The Department of Veterans Affairs (VA) intends on placing a firm fixed priced NAC delivery order to Steris Corporation on the basis of "limited sources" under the authority of Federal Acquisition Regulation 8.405-6(a)(1)(i)(B); the Steris Corporation is the only source capable of providing the supplies and services required at a level of quality required because the supplies or services are unique or highly specialized. The requirement meets the criteria as only one GSA/NAC source exists.

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

Remove and dispose of Steris single channel washer-disinfector

Remove and dispose of Steris multi-channel washer-disinfector

Install two (2) each:

FH91042 – Steris Reliance Vision multi-channel washer-disinfector

- Install non-venting system option
- Install condensation return cool-down option
- Install drain discharge cool-down kit option
- Install auto rinsing-out system for feed-in table option
- Install universal drain option

Provide preventative maintenance services, 1 Year

Provide comprehensive maintenance services, 2nd Year (Option)

Provide comprehensive maintenance services, 3rd Year (Option)

(b) ESTIMATED DOLLAR VALUE: **REDACTED**

(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 requirements to the exclusion of other sources.

☐ A patent, copyright or proprietary data limits competition.

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

The requested washer/disinfectors are direct replacements for existing Steris Corporation equipment at the South Texas Veterans Health Care System. All of the washers/disinfectors in use by SPS are brand name Steris Corporation. Procurement of Steris Corporation equipment is made in effort to promote standardization of reprocessing equipment. Standardization of reprocessing equipment was directed by Deputy Under Secretary for Health Operations and Management in an effort to reduce the variation of processes and to reduce the amount of training required to enable staff to remain competent in their activities.

The Steris Corporation equipment that is currently in use at the STVHCS SPS consists of five (5) large sterilizers, five (5) medium sterilizers, four (4) ETO sterilizers, four (4) washer/disinfectors, four (4) ultrasonic washers, one (1) cart washer, four (4) arrow dryers, one (1) boiler, two (2) reverse osmosis systems, seven (7) large steam transfer carts, nine (9) washer/disinfector racks, ETO sterilization carts and an ETO sterilization lift cart. The current procurement cost of the Steris equipment in use at STVHCS is valued at \$2,335,035.61. Each piece of stationary equipment has to be encased in stainless steel at the SPS. An estimated cost to remove and replace all of the Steris equipment in use at the STVHCS SPS would be in excess of \$3 million.

Funding for this requirement has been made by the use of T21 funds for the purpose of standardization. Accordingly; Steris Corporation is the only firm capable of providing these items and services without the Veteran's Health Administration experiencing delays in fulfilling healthcare requirements.

☒ 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 requested Steris Corporation equipment must be compatible with the existing plumbing requirements. The SPS is currently utilizing a Steris Corporation reverse osmosis water system and is plumbed specifically for fit of the requested washer/disinfector equipment. The reverse osmosis system is installed in the flooring and is fit for the requested equipment. The use of another manufacturer's equipment would make the existing Steris reverse osmosis system incompatible.

☐ 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 requested Steris Corporation equipment is available on their NAC and GSA has already determined the prices of supplies and fixed-price services under schedule contracts to be both fair and reasonable. Other factors affect the best value determination as well. The Contracting Officer will ensure that all pricing is at or below the established pricing and seek additional discounts before placing the delivery order. Therefore, it is the Contract Officers determination that the anticipated cost to the Government will be fair and reasonable and that the order represents the best value for the government. A comparison of the NAC price with the quoted price is as follows:

<u>Description</u>	<u>NAC Unit Price</u>	<u>Quote Unit Price</u>
FH91042	\$198,249.01	\$198,249.01

(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 the Contracting Specialist on GSA and the VA NAC to locate other schedule contract holders. A sources sought notice was published on FBO from 25 July to 31 July 2014 to ascertain if other vendors could provide the requested items and services. GSA FSS holder GETINGE responded to the notice; however, their response was for interest to install their products. Currently, the Steris Corporation is the only schedule holder who can provide the requested items and services.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION: N/A

(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 required equipment is currently only available through Steris Corporation and they do not utilize distributors. There are not actions at this time that can overcome competitive barriers. Market research will be conducted on future requirements to determine if changes have been made to the marketplace.

(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.

// SIGNED //

REDACTED

Chief, Sterile Processing Service (SPS)
South Texas Veterans Health Care System

20 August 2014

DATE

(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.

// SIGNED //

REDACTED

Contracting Officer

20 August 2014

DATE

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

// SIGNED //

REDACTED

Deputy Director of Contracting
NCO 17, SAO-W

30 September 2014

DATE