

## DEPARTMENT OF VETERANS AFFAIRS

### Justification and Approval For Other Than Full and Open Competition

1. **Contracting Activity:** This Justification for Other Than Full and Open Competition is prepared by the Department of Veterans Affairs Network Contracting Office 6 (NCO 6) on behalf of the Veterans Affairs Medical Center in Richmond, VA in support of Purchase Request No. 652-15-1-165-0023
2. **Nature and/or Description of the Action Being Processed:** This justification provides the rationale for contracting by other than full and open competition to acquire and install a PAR Excellence automated medical supply inventory system. This procurement is for a PAR Excellence automated medical supply inventory system in accordance with FAR 13.5 Test Program for certain commercial items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2. A firm fixed purchase order will be awarded on a sole source basis to PAR Excellence System with a period of performance December 1, 2014 thru January 16, 2015.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** A medical supply inventory system that eliminates the need for staff manual inputs. The estimated valued of the proposed action is \$ [REDACTED].

• Large Platform Scale	409 (EA.)
• Medium Cantilever Scale	636 (EA.)
• Small Cantilever Scale	290 (EA.)
• Large Bridges	50 (EA.)
• Cath. Hanger w/6 scales	25 (EA.)
• Controllers	7 (EA.)
• PAR Bins License	2 (EA.)
• Louvers Free Standing - Single Side	10 (EA.)
• Louvers Free Standing - Double Side	20 (EA.)
• Bins – Size 270 – 12/CS	60 (EA.)
• Bins – Size 240 – 12/CS	22 (EA.)
• Installation	1 (JB.)

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

(x) (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):** The Par Bin system is unique to Par Excellence Systems; it is the only inventory system that eliminates staff manual inputs regarding decrease or increase to inventory. The PAR Excellence system determines supply usage as it occurs based on weight sensors. Other systems require staff to execute manual inputs to adjust the inventory utilizing a wand, a barcode or pressing a button; increasing the margin for error. This requirement expands the system recently purchased under VA246-12-C-0194 and VA246-13-P-4307. Procurement of the PAR Excellence system will guarantee compatibility with the existing system, create standardization, ensure continued operation, integration, and provide real-time inventory visibility. Additionally, staff has been trained on the current system. PAR Excellence is the manufacturer and distributor of the PAR Bin system and does not allow third party installation. Accordingly, PAR Excellence Systems is the only source capable of meeting the need without the VAMC Richmond experiencing substantial duplication of cost not expected to be recovered through competition.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** A Sources Sought Notice was posted to FBO May 8, 2012; PAR Excellence was the only company to respond. As a result, a sole source purchase order (VA246-12-C-0194) was awarded to PAR Excellence Systems. Another Sources Sought Notice was posted to FBO May 22, 2013 which produced the same results. As recent as September 5, 2013, solicitation (VA240C13Q0079) was issued for a "brand name or equal" PAR bin system. Only one response was received from PAR Excellence Systems.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** In accordance with FAR 15.404-I(b)(2)(ii), a determination of price fair and reasonableness will be based on a comparison of proposed prices to historical prices paid whether by the Government or other than the Government for the same or similar items
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market:** Extensive research was conducted through internet searches, discussion with industry, and discussions with other hospitals. The research revealed no other systems that eliminate the need for staff input to adjust inventory on hand. The Department of the Navy also hired a consultant in 2011 to evaluate current inventory systems and the outcome was that Par Bins from Par Excellence was the only system that required no staff inputs. VHA is currently deploying this system nationally.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** All facts supporting this proposed action are included in this justification and Approval for Other than Full and Open Competition as outlined above
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** PAR Excellence Systems, 11500 Northlake Dr. Cincinnati, OH
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:** For future requirements and subsequent acquisitions of this type, in order to overcome any barriers to competition, market research will be used as a guide to determine whether or not the market for competition exists. The appropriate

procurement strategy will then be determined and followed. The contracting agency will continue to monitor the market for the inception of other companies capable of meeting the requirement.

1. **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.

*(This signature is the requestor's supervisor, fund control point official, chief of service, someone with responsibility and accountability)*

[Redacted Signature]

Chief of Logistics

Hunter Holmes McGuire VAMC

[Redacted Signature]

Date

2. **Approvals in accordance with the [VHAPM, Volume 6, Chapter VI: OFOC SOP](#).**

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

[Redacted Signature]

Contracting Officer

NCO 6

[Redacted Signature]

Date

- b. **Quality Assurance (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

[Redacted Signature]

Quality Assurance Compliance Officer

NCO 6

[Redacted Signature]

Date

- c. **Director of Contracting /Designee (Required \$150K and above):** I certify the justification meets requirements for other than full and open competition.

[Redacted Signature]

Commodities Branch Chief

NCO 6

[Redacted Signature]

Date