

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 760-16-1-060-0005

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.

Manufacturer/Contractor: SYSTEMS INC

Manufacturer/Contractor POC & phone number: 817-723-3277

Mfg./Contractor Address: 3103 SCARBOROUGH LANE WEST

Dealer/Rep address/phone number: 817-723-3277

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

CMOP

5000 S 13TH STREET

LEAVENWORTH KANSAS 66048

VISN:

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

No award has been made for a new BPA for prescription/ labeling/ mailing labels used in patient packing for pharmaceuticals dispensed and mailed to patients. The Leavenworth Consolidated Mail Outpatient Pharmacy (CMOP) requires a large purchase of labels with multiple deliveries to allow for uninterrupted pharmaceutical and medical supply to VA patients.

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

The Leavenworth CMOP requires prescription labels and mailing labels in various styles. Each label must be compatible with a number of different printers old and new. The specific label sizes and packaging sizes that are compatible with Leavenworth CMOP printers are described on the attached 2237.

(b) ESTIMATED DOLLAR VALUE: \$404,150.40

(c) REQUIRED DELIVERY DATE: November 30 2015

(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)

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
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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.

Since the current labels BPA ended 9/30/15 the Leavenworth CMOP only has an estimated 75-90 days of stock on a multiple delivery order that can be used until a prospective labels and paper BPA is awarded. There are other vendors in the commercial marketplace that produce similar labels, though these products have not yet been subject to testing on VA printers. Due to the length of time required to test new labels the Leavenworth CMOP would run out of labels before the testing is completed. This would result in the Leavenworth CMOP being unable to distribute prescriptions to VA patients, and would result in workload being shifted to other CMOPS. Such a shift would cause unacceptable cost overruns at other CMOP facilities and the unacceptable idling of the Leavenworth CMOP. Further, VA patients would be at risk of receiving their medications late, placing their health in danger, while also placing stress on several VA Medical Center pharmacies that would be forced to fill prescription volumes they are not staffed to handle. The Leavenworth CMOP processes approximately 170,000 packages per week, that can contain multiple prescriptions, therefore the negative impact of idling the Leavenworth CMOP would be substantial.

The required labels distributed by SYSTIMS, Inc. are unique because they are very specific in size, the direction they are wound, and have specific core sizes. Some labels also have a special yellow band where specific information is to be printed. Until other labels are tested, the SYSTIMS labels are the only labels in the commercial market place that are tested and proven to work on Leavenworth CMOP printers, and are therefore the only label products that can meet this requirement.

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.

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

As previously stated the Leavenworth CMOP has a multiple delivery order that only has an estimated 75-90 day stock available before the order is complete. It is urgent that another delivery order is put in place to provide more labels due to the time it takes a vendor to produce the required labels.

(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:

Systemis appears to have the best contract pricing for the required items when compared to other vendors on GSA. Although there are other vendors that can provide labels, the labels have not been tested and time constraints do not allow for testing. The competed BPA will include testing of labels submitted in response to the issued solicitation.

(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 surveying GSA Advantage for potential vendors that carry the required brand of labels. Systemis is the only vendor on GSA that provides the exact labels. The labels are on GSA contract # GS-02F-0018P.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

We have determined based upon testing on a previously issued BPA and past performance that SYSTEMIS labels have been reliable in function as well as availability.

(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 Department of Veterans Affairs NCO-15 CMOP Acquisitions Team is in the process of soliciting offers for a new multiple award labels and paper BPA, and it is anticipated that this BPA will be awarded on a fully competitive basis. The solicitation process of this new BPA will give prospective vendors the ability to submit their labels and paper for testing which will help the Leavenworth CMOP possibly identify multiple potential suppliers of labels and paper.

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SIGNATURE

DATE

NAME

Director, SAO X

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

NAME

VHA Head of Contracting Activity (HCA)

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)

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