

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office 15, 3450 S. 4th Street, Leavenworth, Kansas.
2. **Nature and/or Description of the Action Being Processed:** This will be a sole source procurement of patented components of an automated bagging system for the Charleston Consolidated Mail Outpatient Pharmacy (CMOP).
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The Charleston CMOP is a state of the art, automated pharmacy with a daily output of approximately 110,000 prescriptions. It relies heavily on high output, automated dispensing equipment. The CMOP recently installed a \$14M high speed tablet and capsule dispensing system. This new high speed system includes two SP Sprint Automated Packaging Systems. These packaging systems require the use of patented APS polyship bags in order to function. The bags are dispensed from a roll designed to function as a component of the system. The Charleston CMOP requires an on-going source of supply for these patented bags. The object of this procurement is to establish a Indefinite Delivery, Indefinite Quantity (IDIQ) contract for them with the manufacturer. A five year (base with four option years) IDIQ with a total estimated value of \$2,773,617.60 is anticipated.
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):** Automated Packaging Systems designs and produces these products for this high speed auto packaging system. These bags are patented for their design for this system.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** This J&A will be publicized on the Federal Business Opportunities (FBO) website at www.fbo.gov . The request for quote will also be posted on the FBO website.

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7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** A published price list will be requested from the manufacturer, in addition to price comparison to the Independent Government Estimate and previous awards for APS bags.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Market research was conducted by checking the VA's Federal Supply Schedule contracts, Ability One, Daily Med, SBA, and VetBiz. The requested bags are proprietary to the manufacturer, Automated Packaging Systems; the bags are patented by the manufacturer. A set-aside for small business is untenable as there is no waiver of the Non-Manufacture Rule from the SBA for NAICS code 326111. There are no other bags that can meet the Government's Requirements. Only Patented Automated Packaging Systems' bags may be utilized in the existing Charleston CMOP equipment, which is also manufactured and patented by Automated Packing Systems; Automated Packaging Systems is the only manufacturer of these bags.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** Not Applicable.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Not applicable, as this will be procured via the manufacturer who currently has a patent on the requested bags. There are currently two authorized distributors for the bags; however it has been determined that awarding directly to the manufacturer will result in time efficiencies and cost effectiveness by dealing directly with the source and eliminating third party vendors. Previous procurements for patented bags resulted in either no response distributors or an offer that could not be determined fair and reasonable.
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:** An attempt will be made to avoid similar circumstances in future acquisitions of automated systems.

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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.

Alan H. Benson
540563

Digitally signed by Alan H. Benson 540563
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0.9.2342.19200300.100.1.1=alan.benson@v
a.gov, cn=Alan H. Benson 540563
Date: 2015.09.17 07:54:29 -04'00'

Alan Benson
Logistics Manager
Charleston CMOP

Date

2. **Approvals in accordance with the VHA PM, Volume 6, Chapter VI:OFOC SOP and 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.

William T. Moore
673816

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0.9.2342.19200300.100.1.1=william.moore2@va.gov,
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Date: 2015.09.17 06:59:31 -05'00'

William Moore
Contracting Officer
VISN 15/CMOP

09/17/2015

Date

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

SCOTT R FISCUS 381888

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0.9.2342.19200300.100.1.1=scott.fiscus@va.gov, cn=SCOTT R FISCUS 381888
Reason: I agree to specified portions of this document.
Date: 2015.09.21 10:47:05 -05'00'

Scott R. Fiscus
Director of Contracting
VISN 15

Date

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

Randy L. Hays 534204

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534204
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Date: 2015.09.25 12:58:39 -07'00'

Ricky L. Lemmon
Director, Service Area Office Central

Date

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- 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
VHA Head of Contracting Activity (HCA)
Chief Procurement and Logistics Officer



Date