

DEPARTMENT OF VETERANS AFFAIRS

**Justification and Approval (J&A)
For
Other Than Full and Open Competition (>\$150K)**

1. **Contracting Activity:** Department of Veterans Affairs, VISN 23, Minneapolis Medical Center Network 23 Contracting Office, to include the following stations: Minneapolis VAHCS, Sioux Falls VAHCS, St. Cloud VAHCS, Fargo VAHCS, Omaha NWI VAHCS, Iowa City VAHCS, Des Moines VAHCS, Ft Meade VA.
2. **Nature and/or Description of the Action Being Processed:** The estimated value of the contract period is estimated at \$636,903.75. This open-market, sole-source, procurement is needed to provide VISN 23 a short-term solution to continue the supply of Custom Surgical Procedure Packs. This short-term solution is necessary to ensure availability and consistency of custom surgical procedure packs until such time as a regional long-term contract is awarded. The proposed contracting action is for a Blanket Purchase Agreement (BPA).
3. **Description of Supplies/Services Required to Meet the Agency's Needs:**
Provide for a Custom Sterile Procedure Pack production and delivery of individualized custom procedure packs to be utilized by each of the requiring medical centers in VISN 23. The Custom Sterile Procedure Packs will include but not limited to; pack assembly/manufacture, sterilization, quality assurance, and packaging, contractor electronic communication ordering reporting, and delivery. Specific custom procedure packs to include list of component and configuration for each requested pack and estimated quantities for each medical center will be listed in the Schedule of Items. All aspects of pack assembly, packaging and sterilization must adhere to the quality control standards set by the FDA. The proposed contracting action is for a firm fixed price BPA contract for 3 months to begin April 1, 2016 through June 30, 2016. The estimated value of the BPA is approximately \$636,903.75.
4. **Statutory Authority Permitting Other than Full and Open Competition:**
 - () (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
 - (X) (2) Unusual and Compelling Urgency per FAR 6.302-2; 41 U.S.C. 3304(a)(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):** Due to the time and expense required to adjust to a different contractor, there are several compelling reasons to sole source to the Kreisers, Inc. who is currently providing Custom Sterile Surgical Packs to VISN 23 under the current contract that **expires** on 31 March, 2016 until a regional contract is awarded. Custom Sterile Surgical Packs are critical to patient care and VHA medical centers and/or related facilities cannot operate without them. Kreisers Inc. is the only vendor with the resources capable of providing seamless, uninterrupted service that can meet the government's system-wide requirements, principally to ensure uninterrupted Custom Sterile Surgical packs without compromising direct patient care.

The tasks aforementioned not only require time and money but also a fair number of skilled personnel to set up accounts, train customers, forecast inventory, order and receive inventory and adjust

delivery schedules. Historically these actions have taken an estimated 6-8 weeks implementation period. The lead time to award this contract is insufficient to allow a new vendor several months to build and distribute packs. A bridge contract must be in place that is capable of providing current supplies.

Additionally, the startup cost for a new contractor to implement a new system to support VISN 23's needs is significant and they would be unlikely to do so with no guarantee of a long term business commitment. Furthermore, setting up a short term contract with anyone other than current vendor would result in changing contractors twice. Engaging in these complex transaction activities in a relatively short period of time is not cost effective to VA or any potential offeror. This requires a cash investment, warehouse space and additional personnel. It would be challenging for a new vendor to make this financial commitment for a contract projected to last six months and no more than twelve months.

The intent of the proposed sole source contract is only to bridge the gap until a fully competitive long term contract can be put into place. The SAO Central Region Custom Sterile Procedure Pack procurement is in the pre-award review process. Conversion to a regional custom sterile procedure pack contractor will require the new contractor to become intimately familiar with the requirements histories of supported VHA healthcare facilities in VISN 9, 10, 11, 12, 15, 16 and 23. The winning contractor will be required to become familiar with VA systems necessary to transmit and receive supply chain data, modify or create systems to meet these requirements, ordering initial stocks from VHA specified sources, positioning these stocks and developing a distribution system to meet VHA responsiveness requirement. In addition, VA personnel will need to be educated on the new custom sterile procedure pack contractor's processes and systems, and VA files annotated with appropriate changes. At a minimum these actions would require a creation of a complex implementation plan that would take 90 days or more to accomplish.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** In accordance with FAR Part 6, the contracting officer will post the approved Sole Source Justification and summary of the Custom Sterile Surgical Packs contract at Federal Business Opportunities (www.fbo.gov) for informational purposes only. The contracting officer has determined that competitive short term procurement is impractical and not in the best interest of the Government.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Independent Government Estimates for this procurement is based on the historical data on usage during the previous year available and the information provided as part of the procurement package submitted to support the regional contract. In addition, it is noted that these products are available in the commercial market place which will serve as a basis for determining fair and reasonable pricing. The VA expects to award a fair and reasonable contract identical to, or closely based on: past Custom Sterile Surgical Pack contracts with this vendor, that included pricing from GSA/FSS, as well as open-market, commercial catalog pricing.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** The Contracting Officer did market research in preparation for the regional procurement. VHA is familiar with the current competitive market. No other sources can satisfactorily meet the requirements of the Custom Sterile Surgical Packs contract in such a short period of time. This contract will commence performance immediately. The compelling need to have a consistent, stable Custom Sterile Surgical Pack contract while the challenging and complex process of completing and operationalizing the next generation Custom Sterile Surgical Pack contract is completed dictates the need for continuation of services from the current vendors and drives the need for this sole source justification.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** None

10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Not applicable for the reasons stated herein in this document.

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:**

The period of performance will not exceed the time necessary for the agency to enter into another contract for the required goods through the use of competitive procedures. Acquisition for the long term regional contract will be based on full and open competition.

Chapter VI: Other Than Full and Open Competition (OFOC) SOP
Attachment 3: Request for Sole Source Justification Format >\$150K

12. **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.

3/24/2016

Sidney M. Bell
Facility Logistics Officer
VISN 23-Minneapolis-618

Date

13. **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.

3/29/2016

Darryl W. Moon
Contracting Officer
NCO-23 Fargo

Date

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

3/29/2016

Christopher Volk
Branch Chief, Commodities
NCO-23 Fargo

Date