LIMITED SOURCES JUSTIFICATION
ORDER >$150,000
FAR PART 8.405-6

Acquisition Plan Action ID: VA258-16-AP-1550

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: Omnicell, Inc.
Manufacturer/Contractor POC & phone number: 951-653-2081
Mfgr/Contractor Address: 1201 Charleston Rd., Mountain View, CA 94043-1337
Dealer/Rep address/phone number: None

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

(1) AGENCY AND CONTRACTING ACTIVITY: Department of Veterans Affairs
El Paso VA Health Care System
(EPVAHCS)
5001 N. Piedras
El Paso, TX 79930

VISN: 17

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:
The Department of Veterans Affairs, El Paso VA Health Care System (EPVAHCS), located at 5001 N. Piedras, El Paso, Texas 79930-4210, requires Omnicell, Inc. automated storage and dispensing equipment s, monitor, and additional storage cabinets to dispense pharmaceuticals, narcotics, and surgical instruments within the hospital. The EPVAHCS intends to enter into a firm-fixed-price delivery order with Omnicell, Inc., 1201 Charleston Rd., Mountain View, CA 94043-1337, under mandatory Federal Supply Schedule (FSS) National Acquisition Center (NAC) contract V797D-30111.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:
The proposed acquisition is for the software upgrade of, and the supplementary purchase of equipment for the EPVAHCS automated storage and dispensing equipment and inventory management system. The software upgrade will involve the upgrade of the operating system for all storage cabinets, servers, and computers to [redacted] to remain in compliance with VHA Information Recourse Management (IRM) requirements. In addition, the EPVAHCS needs supplementary storage cabinets, which must be compatible with the current inventory management system. The Omnicell cabinets provide specialized storage for pharmaceuticals and surgical instruments requiring strict access and authorization controls. Due to the nature of the pharmaceuticals and narcotics, and surgical instruments to be stored, the cabinets require specialized software and integration into the VA Information Technology system. The Omnicell cabinets currently installed at the EPVAHCS are in good repair, possess the security features required, and are not in need of replacement. It is not financially expedient at this time for the government to consider full system replacement.

(b) **ESTIMATED DOLLAR VALUE:** [redacted]

(c) **REQUIRED DELIVERY DATE:** 04/22/2016 – 10/31/2016

(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)

☒ 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.

The automated storage and dispensing equipment already employed at the EPVAHCS provides the minimum requirements needed for effective, save, and timely dispensing of pharmaceuticals and surgical instruments. The containment equipment allows for the drugs and instruments to be readily available, including after-hours, alleviating the need for constant Pharmacist of Sterile Processing Service coverage afterhours.

Due to the unique requirements of securing narcotics a secure and automated system is essential for patient care; this also creates a small, specialized market of equipment and software manufacturers. Omnicell, Inc., equipment provides software integration, which is fully compatible with VA VISTA and CPRS, and works to monitor and record patient level pharmaceutical dispensing. This creates an electronic check for healthcare staff, and decreases the chances of successful drug misuse and diversion. This inventory management system is unique and proprietary to the manufacturer. Omnicell, Inc. does not sell to, or partner with, third party contractors to provide equipment, software, or maintenance; all replacements, upgrades, or repairs must be acquired directly from the manufacturer.

The Omnicell cabinets currently installed at the EPVAHCS are in good repair, possess the security features required, and are not in need of replacement. It is not financially expedient at this time for the government to consider full system replacement.

☐ 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.

(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:

In accordance with FAR Part 8.404, GSA has previously determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contractors to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by FAR Part 8.405-2(d). By placing an order against a schedule contract using the procedures in 8.405, the ordering activity has concluded that the order represents the best value for the Government (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, specialist features, administrative costs, etc.) to meet the Government's needs.

In addition, pricing is determined fair and reasonable based upon pricing offered to industry. Omnicell, Inc. offers FSS [redacted] A comparison was made between VA offered pricing and GSA schedule pricing and it was found to equivalent. [redacted]

(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 in accordance with FAR Part 10. GSA schedule 65 II A – Medical Equipment and Supplies; category A-92 – Medication and Supply Packaging and Dispensing Equipment has been identified. The schedule category contains thirty-seven (37) contractors; however, through contact with industry and the Original Equipment Manufacturer (OEM) it has been determined that Omnicell, Inc. is the only supplier of software and equipment compatible with the currently installed automatic storage and dispensing system. According to Ms. Wendy Smith, Director of Strategic Accounts, Omnicell, Inc., the contractor does not partner with any other contractor. In addition, they do not make their equipment, parts, or software available to any third party contractors, and have no authorized branches. It was confirmed that Omnicell, Inc. has an active GSA NAC contract, under the FSS schedule sited above, V797D-30111. This is a mandatory use FSS schedule.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:
None

(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:
It is not financially expedient at this time for the government to consider full system replacement. Upon full system replacement actions will be fully completed under FSS 65 II A – Medical Equipment and Supplies, category A-92 – Medication and Supply Packaging and Dispensing Equipment.

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

[redacted] 3/25/2016

SIGNATURE DATE

Marvin Spann DCLO Logistics Service

NAME TITLE SERVICE LINE/SECTION

EPVAHCS

FACILITY

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM, Volume 6, Chapter VI: OFOC SOP: *This part if filled out by Contracting Staff as part of the Justification*

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] 3/29/2016

CONTRACTING OFFICER'S SIGNATURE | DATE

Michael J. Tusinger, Contracting Officer | SAO West NCO 18

NAME AND TITLE | FACILITY

b. **Director of Contracting/DESIGNEE**: I certify that the foregoing justification is accurate and complete

[redacted]

4-11-2016

DATE

Sabrina J. Smith

NAME

NCO/PCO 18 Director of Contracting