

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA69D-16-AP-1611

1. **Contracting Activity:** Department of Veterans Affairs, NCO12, Great Lakes Acquisition Center, Suite 101, Milwaukee, WI 53214-1476. Transaction 695-16-4-133-1009.
2. **Nature and/or Description of the Action Being Processed:** This procurement is for a full service contract, including preventative maintenance (PM) and emergency repair service of Steris-brand equipment owned and maintained by Sterile Processing Service (SPS) at the VA Green Bay Community Based Outpatient Clinic (CBOC), in accordance with FAR 13.5 Simplified Procedures 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. This is a new requirement for a firm fixed price contract.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The VA Green Bay CBOC has a requirement for PM and emergency repair services for Steris-brand equipment. The contract will cover various pieces of equipment that were purchased separately. Prior to the need for this contract, some of the items were on individual service contracts that will expire soon, and some items were on extended warranties that will expire soon. All of the individual service contracts were with Steris Corporation, the manufacturer of the equipment to be serviced. The estimated dollar value for the base year is [REDACTED], with an aggregate value (base and options) of [REDACTED]. The period of performance for the base year is August 1, 2016 – July 31, 2017, plus four options.

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;
- (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;

FAR13.5 Simplified Procedures for Certain Commercial Items: The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** Steris Corporation is the original equipment manufacturer (OEM) of the equipment to be maintained under this requirement. It is critical that the sterilizers at the VA Green Bay CBOC be maintained in accordance with OEM

specifications by Field Service Engineers (FSEs) that are properly trained and factory authorized to avoid the possibility of contamination. Steris is the only company that has FSEs that are fully qualified and trained in every piece of equipment to be covered under this contract. Some of the pieces of equipment that will be maintained are from Steris' newer product lines, and FSEs outside of Steris do not have proper training on servicing these items. Furthermore, Steris Corporation is the sole factory-authorized supplier of parts and service for the equipment manufactured under the brand-name AMSCO, which makes up a large portion of the product to be maintained under this requirement. Steris Corporation has provided a letter certifying this information. The VA Green Bay CBOC cannot function without its sterilizers, and if sterilizer equipment were to be down for longer than 72 hours due to lack of training of an FSE or inability to obtain proper parts, facility closures could occur. In addition, improper repair and maintenance of the equipment could lead to possible contaminations which could result in infection or death as a result.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Market research was conducted to check for potential vendors capable of providing services as described in Section VIII below. A sources sought notice (VA69D-16-Q-0863) was posted to FBO.gov on May 20, 2016 with a close date of June 2, 2016. Two companies ([REDACTED]) responded to this notice, however, it was later determined that one does not perform services in this area ([REDACTED]) and the other ([REDACTED]) is not capable of completing the requirements of the Statement of Work (SOW). Searches on UNICOR, AbilityOne, GSA, Vetbiz.gov, and the Small Business Administration (SBA) Dynamic Small Business Search (DSBS) did not result in any offerors that could complete the work required.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** To determine the price to be fair and reasonable, the Contracting Officer (CO) searched for similar contracts that have been awarded for maintenance and repair of similar Steris equipment. Contract VA256-16-P-0092, for maintenance and repair of similar Steris equipment, was awarded on December 1, 2015 for a base year price of \$45,001.00, and aggregate base, plus four option total of \$261,005.80. This is comparable to the anticipated value of this requirement. Pricing can also be compared with contract VA257-13-C-0005 for the same services which was awarded for a base year price of \$51,651.00 and a base plus four option total of \$262,950.08. The pricing on these contracts were found to be fair and reasonable at the time of award and the pricing offered is comparable to these, thus the CO anticipates that award will be made at a fair and reasonable price.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:**
As described in Section VI above, market research, in accordance with FAR Part 10, was conducted by synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties. Search of VETBIZ.gov identified three companies ([REDACTED]) that might be capable of completing the work required, however, two of these companies do not provide services to the local area ([REDACTED]); and one ([REDACTED]) was non-responsive to email inquiries regarding this requirement. Search on the SBA DSBS identified one additional company ([REDACTED]) that may be capable of completing the work required, however, after further contact with this company, it was determined that they could not meet the requirements of the SOW. In addition, Steris notified the Contracting Officer that they partner with one Service Disabled Veteran Owned Small Business (SDVOSB) ([REDACTED]) to provide these services on their behalf. After looking into how ([REDACTED]) partners with Steris Corporation, it was determined that they ([REDACTED]) and ([REDACTED])

thus would not be considered to be eligible as an SDVOSB concern, since they would not be performing at a minimum, 50% of the work on this contract (as required by FAR 52.219-14, Limitations on Subcontracting). If [REDACTED] were to bid on this requirement, they would have to be considered a Large Business. They have already stated to the CO that they would not bid on this requirement if it was not set-aside, as they would not compete with Steris Corporation for the contract (since they partner with each other).

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:** [REDACTED]

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 CO will continue to conduct market research and synopsize future requirements for these same services to see if any additional vendors are capable of providing these services to the Government.

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.

Robert E Steldt 195270
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Date: 2016.07.13 13:00:12 -05'00'

7/13/2016

Robert Steldt
Chief, Biomedical Engineering
Clement J. Zablocki VA Medical Center

Date

13. **Approvals in accordance with the VHAPM, Volume 6, Chapter VI: OFOC SOP.**

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

Jaclyn B.
Alverson 904999
Digitally signed by Jaclyn B. Alverson
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7/13/2016

Jaclyn Alverson
Contracting Officer
NCO 12

Date

b. **Director of Contracting /Designee (Required over\$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.

Scott A Ivy
339112
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ou=people,
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7/19/2016

Donald R. King
Acting Director of Contracting
NCO 12

Date