

**LIMITED SOURCE JUSTIFICATION**  
**Medical Surgical Prime Vendor – Next Generation (MSPV-NG)**  
**Blanket Purchase Agreements (BPA) for Medical Supplies**

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition Operations  
Strategic Acquisition Center 10300  
Spotsylvania Avenue, Suite 400  
Fredericksburg, VA 22408
  
2. Description of Action: The proposed action is for medical supplies, under the authority of Federal via the VA FSS V797D-40017 to Acquisition Regulation (FAR) 8.405-6, "Limited Sources." The required items are supplied by RGH Enterprises, DBA: Independence Medical, a large business, 1810 Summit Commerce Park, Twinsburg, OH 44087. These items will be procured populate the MSPV-NG formulary with mandatory health care supplies. The MSPV-NG formulary is a list of approved healthcare commodities including medical, surgical, dental, laboratory, facilities/cleaning products, and textiles. This LSJ will supply the MSPV-NG formulary with medical instrument and accessories distributed by RGH Enterprises, DBA: Independence Medical on a not-to-exceed 12-month period of performance until these items can be competed in accordance with FAR 8.405-3. As the identified required items are competed, they will no longer be acquired under the LSJ; thus, bringing the MSPV-NG formulary in compliance with the FAR 8.405-3, "Blanket Purchase Agreements".
  
3. Acquisition History: VHA manages the largest integrated healthcare system in the United States. In 2013, the system consisted of 21 Veterans Integrated Services Networks with approximately 150 medical centers, 820 outpatient clinics, and various other facilities to include Community Living Centers, Veteran Centers and Domiciliaries. Together, these health care facilities, and the more than 53,000 independent licensed health care practitioners who work within them, provide comprehensive care to about 9.3 million enrolled Veterans. The MSPV Program is the primary means to obtain medical and surgical supply support for the VA healthcare system through contract support. VHA, in cooperation with VA's National Acquisition Center (NAC), initiated contract support for the MSPV program in 2005. The result was the first generation of seven prime vendor distributor contracts that not only support VHA, but also support the Department of Health and Human Services, Department of State, Indian Health Service, and the Federal Bureau of Prisons.

Since that time, VHA and NAC have successfully executed two long-term, multiple-award 5-year contracts in support of the MSPV program. In 2015, upon expiration of the second MSPV program, a set of bridge contracts were executed by the NAC extending the period of performance to April 19, 2016. Those bridge contracts were as follows: VA797N-15-C-0003, VA797N-15-C-0004, VA797N-15-C-0005, VA797N-15-C-0006, VA797N-15-C-0007, VA797N-15-C-0008, and VA797N-15-C-0009.

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In preparation for the continuation of the MSPV Program, the Strategic Acquisition Center (SAC) assumed responsibility to award the new MSPV-NG contracts in 2014. Due to a protest and continued technical evaluations, the SAC Contracting Officer determined that a second set of bridge contracts would be required to ensure continuity of services and the continuance of healthcare support throughout the VA community beyond the bridge contracts' expiration on April 19, 2016. In February 2016, the SAC awarded the second set of bridge contracts. They are as follows: VA119-16-D-0007, VA119-16-D-0008, VA119-16-D-0009, VA119-16-D-0010, VA119-16-D-0011, VA119-16-D-0012, and VA119-16-D-0013. The period of performance for the second SAC bridge contracts began April 20, 2016, and will expire no later than April 19, 2017.

Leveraging the NAC's lessons learned, VHA and SAC developed a procurement strategy for a complete VA-wide MSPV formulary of approved supplies by April 2016. To execute this plan, VHA and SAC formed a team in February 2015, to initiate development of the MSPV-NG formulary. The goal of this team was to solicit and award approximately 7,000 individual line-items, identified as an optimal initial level, for the pending MSPV-NG formulary. The team developed a streamlined approach to solicit and award these items, which involved VHA providing salient characteristics for all 7,000 line-items, and SAC awarding competitive BPAs based on those salient characteristics.

Between April 2015 and January 2016, VHA forwarded to SAC approximately 4,400 individual procurement packages consisting of both single and multiple line-items, of which approximately 3,500 were solicited and 900 returned to VHA for inclusion in future grouping efforts. Although SAC issued multiple Requests for Quotations (RFQs), vendor response rates averaged less than 30 percent. Due to lack of response, SAC and VHA sought input from industry via a series of MSPV-NG Industry Days. When queried, industry partners indicated two main problems: (1) VHA's salient characteristics were flawed and/or insufficient. They did not appear to be based on clinical input, and often cited unnecessary manufacturer-specific features. This prohibited timely and quality responses, or no responses at all in many cases; (2) Industry also indicated the administrative burden of providing quotes for single-item BPA awards was not cost effective enough for them to provide quotes.

In order to obtain a better success rate, and work on completing new MSPV-NG contracts, two possible strategies were identified: (1) VHA created supply-line commodity teams, and began seeking clinical input for the development of salient characteristics. Additionally, logical commodity groupings were developed; and (2) moving forward, VHA's Program Management Office was to group line-items by supply-line categories, or by United Nations Standard Products and Services Codes. Supply-line categories were found to be the most favored by industry. In an effort to validate this, a Request for Information (RFI) was issued to industry in February 2016. The RFI

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results confirmed the supply-line category approach as the most appropriate method to solicit BPAs for item inclusion in the approved formulary.

On February 24, 2016, awards were made to four MSPV-NG distributors, with an estimated performance starting 120 days after notice to proceed. The period of performance under these contracts are scheduled to begin on October 20, 2016. It was anticipated the distributors would have a full-line of 7,000 competitively awarded BPA formulary line-items to populate their electronic catalogs (e-catalog). Due to lack of vendor response, the formulary fell short of the necessary items required to complete the Prime Vendor’s e-catalog. In an attempt to resolve the shortfall identified above, numerous changes in VA’s strategy for populating the formulary were considered. This directly resulted in the need to establish additional MSPV bridge distribution contracts to ensure continuation of service. The MSPV bridge contracts were awarded with a start date of April 20, 2016. This included a 3-month base period of performance, and three 3-month option periods. The final period of performance expiration date is not-to-exceed 12 months.

4. Description of Supplies/Services: The MSPV-NG formulary will consist of two tiers: 1) the 1,600 line items previously competed by the SAC and NAC, which is being automatically populated into the MSPV-NG formulary and estimated to be ready for use by October 20, 2016; and 2) the additional GSA items identified by VHA to be procured under this LSJ. This group includes 139 types of medical supplies distributed by RGH Enterprises, DBA: Independence Medical. Examples of items covered under this category include various types of medical and surgical instruments and supplies. The full list of items covered under this LSJ is as follows:

<b>Part Number</b>	<b>Item Description</b>	<b>Estimated Quantity</b>
570165SI14	CATHETER FOLEY 14FR LATEX 2 WAY 5ML BALLOON INFECTION CONTROL	2348
571758SI14	CATHETER FOLEY 14FR SILICONE 2 WAY 5ML BALLOON INFECTION CONTROL	1972
570165L16	CATHETER FOLEY 16FR LATEX 2 WAY 5ML BALLOON LUBRICATED	26223
57165816	CATHETER FOLEY 16FR SILICONE 2 WAY 5ML BALLOON	8428

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5733616	CATHETER FOLEY 16FR SILICONE COATED 2 WAY 5ML BALLOON	4710
570165V16S	CATHETER FOLEY 16FR SILICONE ELASTOMER COATED 2 WAY 5ML BALLOON	4782
57165818	CATHETER FOLEY 18FR SILICONE 2 WAY 5ML BALLOON	5535
571758SI18	CATHETER FOLEY 18FR SILICONE 2 WAY 5ML BALLOON INFECTION CONTROL	1975
5733618	CATHETER FOLEY 18FR SILICONE COATED 2 WAY 5ML BALLOON	4647
570165SI20	CATHETER FOLEY 20FR LATEX 2 WAY 5ML BALLOON INFECTION CONTROL	2848
5733620	CATHETER FOLEY 20FR SILICONE COATED 2 WAY 5ML BALLOON	2686
570167V22S	CATHETER FOLEY 22FR SILICONE COATED 3 WAY 30ML BALLOON LUBRICATED	953
570102L12	CATHETER FOLEY COUDE 12FR 2 WAY 5ML BALLOON LUBRICATED RADIOPAQUE	1825
570168SI18	CATHETER FOLEY COUDE 18FR RUBBER 2 WAY 5ML BALLOON INFECTION CONTROL	902
572557H22	CATHETER FOLEY HEMATURIA COUDE 22FR 3 WAY 30ML BALLOON LUBRICATED	508
6222025	CATHETER MALE EXTERNAL 25MM DIA SILICONE ADHESIVE LINER	777

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RH36102	CATHETER MALE EXTERNAL 29MM DIA SILICONE MED SELF-ADHESIVE	10028
RH33102	CATHETER MALE EXTERNAL 29MM DIA SILICONE MED SELF-ADHESIVE	19864
6222030	CATHETER MALE EXTERNAL 30MM DIA SILICONE ADHESIVE LINER	1235
MMA1000	CATHETER MALE EXTERNAL LATEX LARGE ONE SIDE ADHESIVE STRAP	12267
625230H	CATHETER MALE EXTERNAL LATEX-FREE MED SELF-ADHESIVE	9584
766200	CATHETER MALE EXTERNAL SILICONE MED SELF-ADHESIVE	14064
5097529	CATHETER MALE EXTERNAL SILICONE MED SELF-ADHESIVE	1234
RH36101	CATHETER MALE EXTERNAL SILICONE SM SELF-ADHESIVE	12859
570109150	CATHETER SUCTION 14-16FR W/CONTROL VALVE RUBBER STERILE	14818
57056014	CATHETER URETHRAL ROBINSON 14FR STERILE LATEX RUBBER	4985
682540	CATHETER URETHRAL ROBINSON 14FR STERILE LATEX-FREE CLEAR VINYL	11873
62248494	CATHETER URETHRAL SELF-CATHETERIZATION 14FR FEMALE/MALE STERILE LATEX-FREE COUDE 14INL PVC W/HYDROPHYLIC COATING LUBRICATED	87330

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6228414	CATHETER URETHRAL SELF-CATHETERIZATION 14FR MALE STERILE LATEX-FREE 14INL PVC W/HYDROPHYLIC COATING LUBRICATED	103562
7950202S4	CATHETER URETHRAL SELF-CATHETERIZATION 14FR STERILE LATEX-FREE COUDE OLIVE TIP 16INL W/FUNNEL PVC	17490
7650203	CATHETER URETHRAL SELF-CATHETERIZATION 14FR STERILE LATEX-FREE COUDE TAPERED TIP 16INL W/FUNNEL PVC	40495
6228416	CATHETER URETHRAL SELF-CATHETERIZATION 16FR MALE STERILE LATEX-FREE 14INL PVC W/HYDROPHYLIC COATING LUBRICATED	37351
57120614	CATHETER URETHRAL TIEMANN 14FR RED RUBBER STERILE LATEX	8057
57120616	CATHETER URETHRAL TIEMANN 16FR RED RUBBER STERILE LATEX	7747
57010118	CATHETER URETHRAL TIEMANN 18FR RED RUBBER STERILE LATEX	6913
6050221	CATHETER, URETHRAL, SELF, 14 FRENCH, STRAIGHT TIP, INTERMITTENT, MALE, CURVED PACKAGING	9037
62285840	CATHETER, URETHRAL, SPEEDICATH COMPACT INTERMITTENT, 14 FRENCH, FEMALE	6936
57004054	CLAMP INCONTINENCE CUNNINGHAM LARGE	796
57004053	CLAMP INCONTINENCE CUNNINGHAM REGULAR	1668
MMRLA14230	CLOSED-SYSTEM INTERMITTENT CATHETER KIT 14 FR	12100

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553222	CONNECTOR OMNI-FLEX ADULT 15MMODX22MMOD 5CM-6.5CML RT/ANES LATEX-FREE	30978
6222035	CONVEEN OPTIMA STANDARD LENGTH 35MM 30/BOX	595
764200b	CUP OR POUCH MALE BLADDER CONTROL UNIVERSAL HOLDING 250CC FLUID REGULAR ABSORBANCE ADHESIVE STRIP DISPOSABLE	4039
PU2107	DAYTIME DISPOSABLE ABSORBENT UNDERWEAR	4427
92100110	DEVICE POCKET CHAMBER AEROSOL	8570
VPCTU14030ST	EXTENSION DRAIN TUBING 14FR CONN TUBE VINYL 30CML W/STOPCOCK	6281
DA160	FASTENER NASAL/GASTRIC TUBE ADULT LATEX-FREE INTERLOCKING TABS	5174
509786	FASTENER NASAL/GASTRIC TUBE LATEX-FREE BUTTERFLY PAD 5-18FR SWIVEL CLAMP	4820
55001851	FILTER BACTERIA/VIRUS STANDARD RT 22MMOD X 22MMID	14698
5014606	FLANGE WITH WAFER FLOAT FLANGE-4IN TAPE COLLAR FLEXIBLE STOMA 3 1/2IN YELLOW AUTOLCK NEW IMAGE	669
WI2049	GRAVITY FEEDING VINYL BAG 1200ML	9975
WE2700	HOLDER TUBE ENDOTRACHEAL ADULT 7.0- 10.0MM ADHESIVE BASE/NECKBAND CLOTH	1960

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509799	HOLDER TUBE ENDOTRACHEAL NON-STERILE ADULT 5.0-10.0MM HOOK AND LOOP STRAP	22234
9200340	HUMIDIFIER 340ML PRE-FILLED W/ADAPTER PLASTIC	59274
9200640	HUMIDIFIER 650ML PRE-FILLED W/ADAPTER PLASTIC	21709
6855588AMD	KENDALL ANTIMICROBIAL FOAM DRESSING, 6" X 6" (15CM X 15CM)	135
HT7156	LANCET,BLOOD COLLECTION,1.8 MM PUNCTURE DEPTH,23 GAUGE,SAFETY,BLUE	7616
UC9532	LATEX LARGE LEG BAG, 32 OZ., ODOR FREE	876
6215521	POUCH ONE PIECE OPEN END DRAIN CLEAR NON-CONVEX DOUBLE LAYER ADHESIVE FILTER STOMA CUT TO FIT 3IN EASICLOSE	456
509811	POUCH URINARY MALE W/DRN ADH BAR	1576
509873	POUCH URINARY MALE W/DRN ADH BAR	671
DA240	SECURING DEVICE TRACH TUBE ADULT HOOK AND LOOP FASTENER ADJ LENGTH	30864
7650463	SELF-CATH INTERMITTENT - FEMALE - FUNNEL END, 14FR, 30/BOX	6993
7650201	SELF-CATH STRAIGHT TIP - LATEX FREE W/16 LONG FUNNEL END 16FR (30/BOX)	12009

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7650453	SELF-CATH STRAIGHT TIP MALE CATH, 14FR 30/BOX	17170
5466250707	SHEET ELASTOMER SILICONE GEL 5X6IN REUSABLE	750
684014	SPECIPAN COLLECTION URINE/STOOL 32OZ PLASTIC GRADUATED	10916
55001900	SPIROMETER INCENTIVE DISPOSABLE BALL TYPE 1.4LITER MAXIMUM	4981
DD531	STOCKING ANTI-EMBOLISM KNEE SEAMLESS INSPECT TOE 19MMHG LG REG	1394
DD521	STOCKING ANTI-EMBOLISM KNEE SEAMLESS INSPECT TOE 19MMHG MED REG	9206
DD631	STOCKING ANTI-EMBOLISM THIGH SEAMLESS INSPECT TOE 19MMHG LG REGULAR	1049
KK36600	STRAP CATHETER CLOTH HOOK AND LOOP CLOSURE UNIVERSAL	407
DSCS50	STRAP CATHETER LTX FREE HOOK AND LOOP CLOSURE UNIVERSAL	313
DA360	STRAP CATHETER LTX FREE HOOK AND LOOP CLOSURE UNIVERSAL	69933
MI22703	SUCTION CLOSED TRACH CARE 14FR 12INL DOUBLE SWIVEL ELBOW	8765
MI22705	SUCTION CLOSED TRACH CARE 14FR 21INL T- PIECE	15105

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NC79566	SUPPORT THUMB NEOPRENE WRIST WRAP W/HOOK AND LOOP CLOSURE LG LT	1167
NC79567	SUPPORT THUMB NEOPRENE WRIST WRAP W/HOOK AND LOOP CLOSURE LG RT	894
EF020536	SURGILUBE LUBRICATING JELLY, 4-1/4 OZ. TUBE	61181
TO6120	SWAB ORAL NAHCO3 PLASTIC STICK 2/PK	46599
570038460	SYRINGE TOOMEY 70ML PLASTIC CATH/LUER ADAPTER	17030
RU22180016	TIEMANN COUDE INTERMITTENT CATHETER 16 FR 16	7895
MUSHIELD CB	TRACH STOMASHIELD COVER W/ADJUSTABLE NECK BAND	4219
5096144	TRAY CLOSED SELF CATHETERIZATION 14FR STERILE LATEX-FREE STRAIGHT TIP 1500CC COLLECTION BAG ANTISEPTIC SOLUTION UNDERPAD SILICONE GLOVE MALE/FEMALE	13985
5096164	TRAY CLOSED SELF CATHETERIZATION 16FR STERILE LATEX-FREE STRAIGHT TIP 1500CC COLLECTION BAG ANTISEPTIC SOLUTION UNDERPAD SILICONE GLOVE MALE/FEMALE	4201
57300016A	TRAY FOLEY CATHETER 16FR ANTIMICROBIAL COATED SILICONE LUBRICATED 2000ML DRAINAGE BAG INFECTION CONTROL PRE-FILLED SYRINGE GLOVE LATEX-FREE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL POVIDONE IODINE LATEX-FREE CATHETER STABILIZATION DEVICE SAFET	5363
57899616	TRAY FOLEY CATHETER 16FR LUBRICATED 2000ML BAG ANTI REFLUX VALVE 10ML WATER SYRINGE GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL	6704

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	POVIDONE IODINE	
686146LL	TRAY FOLEY CATHETER 16FR SILICONE LUBRICATED 2000ML BAG W/LUER LOCK SAMPLING PORT 10ML WATER SYRINGE GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL POVIDONE IODINE LATEX-FREE	6655
57300018A	TRAY FOLEY CATHETER 18FR ANTIMICROBIAL COATED SILICONE LUBRICATED 2000ML DRAINAGE BAG INFECTION CONTROL PRE-FILLED SYRINGE GLOVE LATEX-FREE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL POVIDONE IODINE LATEX-FREE CATHETER STABILIZATION DEVICE SAFET	2541
57782100	TRAY FOLEY WITHOUT CATHETER 10ML WATER SYRINGE GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL POVIDONE IODINE	26132
685029	TRAY FOLEY WITHOUT CATHETER 10ML WATER SYRINGE GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL POVIDONE IODINE	6726
57750107	TRAY IRRIGATION BULB SYRINGE 500CC PLASTIC GRADUATE ALCOHOL PAD UNDERPAD STERILE 1200CC BASIN	17324
6867800	TRAY IRRIGATION BULB SYRINGE 500CC PLASTIC GRADUATE BZK PAD STERILE	22127
683685	TRAY IRRIGATION PISTON SYRINGE 500CC PLASTIC GRADUATE ALCOHOL PAD UNDERPAD NON-STERILE	13926
57750301	TRAY IRRIGATION PISTON SYRINGE 500CC PLASTIC GRADUATE CSR WRAP STERILE	9483
6868803	TRAY IRRIGATION PISTON SYRINGE 500CC PLASTIC GRADUATE PVP PAD UNDERPAD CSR WRAP STERILE	6707

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6868800	TRAY IRRIGATION PISTON SYRINGE ALCOHOL PAD UNDERPAD STERILE	21705
554301C	TRAY LUMBAR PUNCTURE 20GA 3 1/2IN DIAMOND POINT MANOMETER SPECIMEN VIALSX4 LIDOCAINE 1% EXTENSION TUBING 3-WAY STOPCOCK	6966
MMRLA1223	TRAY URETHRAL CATHETER 12FR PVC LATEX-FREE GLOVE UNDERPAD PVP PRE ATTACHED DRAIN BAG LATEX-FREE	7438
574A7044	TRAY URETHRAL CATHETER 14FR MALE/FEMALE RED RUBBER COUDE GLOVE UNDERPAD PVP DRAIN BAG LATEX	4253
683217	TRAY URETHRAL CATHETER 14FR MALE/FEMALE RED RUBBER GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL PVP DRAIN BAG LATEX	12777
683410	TRAY URETHRAL CATHETER 14FR MALE/FEMALE RED RUBBER GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL PVP DRAIN BAG LATEX	4657
683450	TRAY URETHRAL CATHETER 14FR MALE/FEMALE VINYL GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL PVP DRAIN BAG LATEX-FREE	17416
683143	TRAY URETHRAL CATHETER 14FR MALE/FEMALE VINYL GLOVE JELLY DRAPE UNDERPAD FORCEP SPECIMEN CUP COTTON BALL PVP LATEX-FREE	6055
6875000	TRAY URETHRAL CATHETER 14FR MALE/FEMALE VINYL GLOVE JELLY DRAPE UNDERPAD SPECIMEN CUP BZK LATEX-FREE	7745
MMRLA1423	TRAY URETHRAL CATHETER 14FR PVC LATEX-FREE GLOVE UNDERPAD PVP PRE ATTACHED DRAIN BAG LATEX-FREE	194952
MMRLA1623	TRAY URETHRAL CATHETER 16FR PVC LATEX-FREE GLOVE UNDERPAD PVP PRE ATTACHED DRAIN BAG LATEX-FREE	55374
MI010018	TUBE GASTROSTOMY 18FR 10ML BALLOON PORTX2 RADIOPAQUE ROUND SKIN DISK SILICONE	2919

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MI010020	TUBE GASTROSTOMY 20FR 10ML BALLOON PORTX2 RADIOPAQUE ROUND SKIN DISK SILICONE	2170
57000720	TUBE GASTROSTOMY 20FR 20ML BALLOON PORTX3 RADIOPAQUE ROUND SKIN DISK SILICONE	538
SH10DCT	TUBE TRACHEOSTOMY CUFFED SIZE 10 PVC DISPOSABLE INNER CANNULA	490
SH4DCT	TUBE TRACHEOSTOMY CUFFED SIZE 4 PVC DISPOSABLE INNER CANNULA W/OBTURATOR	890
SH4LPC	TUBE TRACHEOSTOMY CUFFED SIZE 4 PVC DISPOSABLE INNER CANNULA W/OBTURATOR	444
SH60XLTC	TUBE TRACHEOSTOMY CUFFED SIZE 6 DISTAL EXTENSION	998
SH6FREN	TUBE TRACHEOSTOMY CUFFED SIZE 6 FENESTRATED PVC DISPOSABLE INNER CANNULA	503
SH60XLTCP	TUBE TRACHEOSTOMY CUFFED SIZE 6 PROXIMAL EXTENSION	651
SH6LPC	TUBE TRACHEOSTOMY CUFFED SIZE 6 PVC	2155
SH6DCT	TUBE TRACHEOSTOMY CUFFED SIZE 6 PVC DISPOSABLE INNER CANNULA	6120
SH70XLTCP	TUBE TRACHEOSTOMY CUFFED SIZE 7 PROXIMAL EXTENSION	312
SH80XLTC	TUBE TRACHEOSTOMY CUFFED SIZE 8 DISTAL EXTENSION	577

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SH80XLTCP	TUBE TRACHEOSTOMY CUFFED SIZE 8 PROXIMAL EXTENSION	730
SH8LPC	TUBE TRACHEOSTOMY CUFFED SIZE 8 PVC	1404
SH8DCT	TUBE TRACHEOSTOMY CUFFED SIZE 8 PVC DISPOSABLE INNER CANNULA	4848
SH4CFS	TUBE TRACHEOSTOMY UNCUFFED SIZE 4 PVC	2306
SH4DCFS	TUBE TRACHEOSTOMY UNCUFFED SIZE 4 PVC DISPOSABLE INNER CANNULA	974
SH60XLTUD	TUBE TRACHEOSTOMY UNCUFFED SIZE 6 DISTAL EXTENSION	395
SH6CFN	TUBE TRACHEOSTOMY UNCUFFED SIZE 6 FENESTRATED PVC	970
SH6DCFN	TUBE TRACHEOSTOMY UNCUFFED SIZE 6 FENESTRATED PVC DISPOSABLE INNER CANNULA W/DECANNULATION CAP	537
SH60XLTUP	TUBE TRACHEOSTOMY UNCUFFED SIZE 6 PROXIMAL EXTENSION	698
SH6DCFS	TUBE TRACHEOSTOMY UNCUFFED SIZE 6 PVC DISPOSABLE INNER CANNULA	4032
SH8CFN	TUBE TRACHEOSTOMY UNCUFFED SIZE 8 FENESTRATED PVC	549
SH8CFS	TUBE TRACHEOSTOMY UNCUFFED SIZE 8 PVC	1274

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SH8DCFS	TUBE TRACHEOSTOMY UNCUFFED SIZE 8 PVC DISPOSABLE INNER CANNULA	1309
921518	TUBING CORRUGATED AEROSOL 6FT SEGMENTED EVERY 6IN 22MM ID DISPOSABLE	11550
55001302	TUBING OXYGEN CRUSH-RESIST 7FTL	26252
55001350	TUBING OXYGEN CRUSH-RESIST 7FTL W/CONNECTOR	20284
921115	TUBING OXYGEN SMOOTH ID 7FTL W/CONNECTOR	53495
555262	UNIT DOSE FLUIDS SUCTIONING 0.9% STERILE SALINE 15ML	2967
57153214A	URINE METER 2500ML SAMPLE PORT LATEX-FREE STERILE BACTERIOSTATIC INFECTION CONTROL MICROBICIDIAL OUTLET	2868

The reprieve offered by this LSJ will allow VHA to continue placing orders under the MSPV-NG contracts on a temporary basis, and avoid an interruption in the healthcare supply chain while SAC pursues competitive procurements for the MSPV-NG formulary items.

The proposed types of medical supplies will be ordered under the authority of this LSJ. These items have been identified as high-use medical items vital to the successful implementation of the MSPV-NG program. VHA analyzed the fiscal year (FY) 2015 Medical Products Data Bank, focusing on the top high-volume purchases and identified 139 types of critical medical supply distributed by RGH Enterprises, DBA: Independence Medical. Until the MSPV-NG formulary is completed, VHA's ordering officers will be allowed to place orders for the required medical supplies. The anticipated total value of the proposed BPA over the life of the agreement is \$11,027,945.90. The period of performance is not to exceed 12 months.

5. Statutory Authority and Supporting Rationale: The statutory authority permitting other than full and open competition is in accordance with FAR 8.405-6(a)(1)(i)(A), an

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

6. Rationale Supporting the Authority Cited Above: Urgent and compelling circumstances which significantly affect the interest of the Government will not permit competition in accordance with FAR 8.405-3, "Blanket Purchase Agreements (BPAs)". Significant adverse consequences will occur if the LSJ is not approved as the VA health care supply chain will be negatively impacted. Continuance of the MSPV Distribution Program is vital; any delay of distribution will directly impair the delivery of healthcare and services to approximately 9.5 million Veterans currently receiving care through the VA Healthcare System. A break in the health care supply chain will hinder or halt the delivery of essential medical, surgical, dental, and laboratory supplies and other contracted medical/surgical, cleaning, rescue and safety supplies and services used in the direct delivery of patient care.

The VA Healthcare System receives approximately 40% of its medical and surgical supply support through the national MSPV Program. Many of these items are standardized throughout the VA Healthcare System, and are a part of the formulary being developed for use in the VA. The formulary drives efficiency and familiarity in clinical practice which leads to improved patient outcomes and safety. It also decreases variation, thus reducing time to train and results in fewer errors when providing care. Standardization provides healthcare system benefits that are maximized because standardized items are interoperable. Facilities can then reinvest the savings earned into equipment and personnel that further enhance patient care.

Estimated cost reduction for purchase of individual items through the MSPV formulary is approximately \$4M over the course of the twelve months proposed under this LSJ. The \$4M estimate does not account for efficiencies in the ordering and inventory management processes. Overall annual inventory reduction specifically attributable to MSPV is estimated at approximately \$40M.

Disapproval of the LSJ will result in a disruption in the health care supply chain and negate these potential savings as facilities source supplies through other means. Workload, man-hours, and cost of operations will increase as already depleting resources are lost and the agency will revert to the inefficient means of sourcing medical supplies as before the introduction of the national MSPV program in 2005. Those inefficient methods include use of purchase cards and local VHA contracting.

Use of purchase cards as an ordering method has shown to be more than 5 times the workload burden of using the delivery order method under the MSPV program. In addition, there are approximately 2000 contracting staff in VHA, processing 576,134 formal contracting actions annually. If the MSPV Ordering Officers were unable to place

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orders via MSPV, and those transactions were added to the workload of an already overburdened contracting staff, the result would be catastrophic.

Lead times to procure these items through contracting for other than emergency orders are 45 days; emergency orders require action within three days. All orders would become emergencies to ensure timely delivery of healthcare to Veterans. Canceled surgeries due to lengthy supply lead times would possibly become the norm, and thus, adversely affecting timely access to care. Items critical to provide immediate care will be jeopardized, and will directly impact the safety and lives of Veterans.

VA has a critical role in the comprehensive emergency response to support local, regional, or national emergencies or disasters. VA is charged with the delivery and coordination of support missions for VA facilities affected by disasters, and also performs missions assigned to VA by FEMA or US Dept. of Health & Human Services for response to and recovery from nationally-declared emergencies and disasters. The Prime Vendor Program is critical to ensure VA provides a full range of support to healthcare facilities to ensure resiliency, continuity and rapid recovery of healthcare services during disasters and other potential disruptions to healthcare service delivery. VAMCs and other select Federal facilities are designated Federal Emergency Medical Facilities with significant contingency and emergency response roles. Accordingly, the MSPVs provide emergency supply support during major catastrophic events. Any interruption in the health care supply chain significantly jeopardizes the ability of VA to ensure minimum disruption to delivery of critical services in a contingency situation. This would directly impact healthcare delivery to our nation's Veterans.

Other alternatives were considered, including using both the legacy bridge contracts, and the MSPV-NG contract concurrently until all of the required items can be competitively awarded. The confusion this would create in the field is insurmountable, as field staff will face the uncertainty of which contracts to use and when. A well coordinated supply chain is necessary to ensure facilities are supported, and Veterans are cared for timely. There are no reasonable alternatives that would adequately address the circumstances presented. Any financial costs incurred by the Government to execute the BPAs under the authority of the LSJ, and any potential costs or cost avoidance not realized through competition would not outweigh the benefits received through continuance of the health care supply chain. Approval of the LSJ is in the best interests of the Government and is justified by the urgency of the circumstances.

The cost to the Government if the LSJ is not approved would not be primarily financial, although it is significant. The non-monetary costs of the health, welfare and safety of millions of Veterans cannot be quantified. Every effort was made to compare these

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costs, benefits and other options; the VA cannot rationally find any other reasonable or timely alternative.

VA considered the cost to the integrity of the procurement system and VA acknowledges the importance of protecting the integrity of the procurement system. However, VA feels this is an extraordinary situation, and maintains that due to an already constricted schedule, and the significant impact of these BPAs on the delivery of medical and surgical supplies and services to millions of Veterans, the facts of this case justify the unusual measure proposed under this LSJ. VA considered the balance of the integrity of the procurement system, and the interest of the Government and determined that the issuance of the BPAs under the authority of this LSJ is mitigated and justified. A break in the health care supply chain will be costly and detrimentally disruptive to VA operations and delivery of critical healthcare services to 9.5 million Veterans. Items procured under the authority of this LSJ will be included in the MSPV supply chain for a maximum period of twelve months until the item can be competitively awarded. At such time the item will be removed from the supply chain and replaced with the competitively awarded functional equivalent.

This action is vital to support VA's nationwide healthcare system and prevent disruptions to Veteran care. The identified medical items represent supplies collectively determined essential by VHA medical centers to meet VA patient care needs. Continued use of these products and source of supply will ensure timely delivery and minimize VA supply chain interruptions. The vendor for these items was selected through use of data analytics tools and the Medical Product Data Bank (MedPDB).

The MSPV-NG program is the primary means to obtain medical supplies; these items are regarded as critical to patient care. These items are currently available under the legacy MSPV contracts. Failure to make them available under MSPV-NG would have catastrophic effects on the field's ability to support medical centers. Each item would have to be purchased individually either via purchase card, or through local VHA Contracting Offices, with lead times of up to 45 days. VHA Logistics and Contracting do not have the capacity to meet the constant throughput of high cost/high volume daily individual orders required to meet clinical care needs. Bottlenecks resulting from capacity issues would result in insufficient inventory to meet critical needs for Veteran patients, and will have a significant patient safety impact. It is imperative that VA transition from the present way of doing business under the current MSPV program to the new and revised mandatory MSPV-NG program. In executing this change the following improvements will be realized:

- a. The MSPV-NG distributors shall not ship any medical/surgical or any other supplies that are not on the Government-provided MSPV-NG formulary of approved medical/surgical supplies.

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- b. The MSPV-NG distributors shall not charge any VA formulary approved suppliers to handle their product in conjunction with the contract.
- c. The Government mandates all distributors to be Electronic Data Interchange compliant and it is in the BPAs/contracts.
- d. The MSPV-NG distributors shall not require product suppliers to carry liability insurance in excess of \$1,000,000, charge tracking fees, and/or require additional discounts from product suppliers.

7. Efforts to Obtain Competition: MSPV-NG distribution contracts were awarded on February 24, 2016, and performance is scheduled to begin on October 20, 2016. The MSPV-NG distributors require VA's formulary in order to fulfill the medical requirements at VA hospitals and clinics. As stated previously, the Government intends to compete all line items within the next 12 months. Market research shows there is adequate competition in support of the new requirements. In accordance with FAR [5.301](#) and [8.405-6\(a\)\(2\)](#), these actions will be synopsisized on Federal Business Opportunities Page (FBO).

8. Determination of Best Value: In accordance with FAR Subpart 8.404(d), the prices for supplies offered on FSS have already been determined to be fair and reasonable by NAC Contracting Officers. Given VHA's critical need for the previously identified formulary supplies, and the short turn-around time until the MSPV-NG formulary is fully implemented, VA intends to select the lowest published FSS vendor and seek additional discounts. To compete these items would result in unacceptable delays, and potential mission failure. In the future, additional discounts will be sought through competition for these products as part of the transition to the MSPV-NG formulary.

9. Market Research: The market research conducted for the MSPV-NG requirement showed there are multiple suppliers capable of providing medical products however; performance is required by October 2016, and VA does not have adequate resources for timely completion of the required items. VA has a need to have consistent, uninterrupted sources of supply that meets system-wide requirements without compromising direct patient care to VA medical centers and/or related facilities. VA has a plan to compete these items and market research supports this acquisition strategy.

10. Any Other Facts Supporting the Justification: SAC is currently establishing competitive single-award BPAs that are beginning to populate the MSPV-NG formulary. Competition is on-going; however, at the onset of MSPV-NG's period of performance, the formulary will not have sufficient breadth of medical products to meet the operational needs of VA. It is anticipated the MSPV-NG distributors will begin accepting and delivering orders on approximately October 20, 2016, for all items covered in this LSJ.

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11. Actions to Increase Competition: As described above, VA will compete future requirements and continuously add necessary products to the MSPV-NG formulary. SAC will work with VHA's program office to remove or overcome barriers to competition in future acquisitions. VA has and will continue to meet with industry on a periodic basis for continued input and feedback on acquisition strategies. All future acquisitions of MSPV-NG BPAs will be solicited and awarded in a manner that promotes competition to greatest extent practicable.