

**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 Acquisition Regulation (FAR) 8.405-6, "Limited Sources." The required items are supplied by Ethicon US LLC, a Large Business, located at 4545 Creek Rd, ML#3, Cincinnati, OH 45242-2803. These items will be procured via Federal Supply Schedule (FSS) V797D-30072 to 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 Ethicon US LLC, Inc. 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.

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

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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 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

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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 FSS items identified by VHA to be procured under this LSJ. This group includes 178 types of medical supplies distributed by Ethicon US LLC. 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>
FNC43XLD	Tray includes: (1) B5LT, (1) B11LT, (1) H12LP, (1) CB5LT, (1) ER320 (3 Per BX)	69
2B12XT	ENDOPATH XCEL WITH OPTIVIEW TECHNOLOGY BLADELESS TROCAR STABILITY SLEEVE 12MM 150MM (6 Eaches per Box)	28
1943	SURGICEL NU-KNIT, Absorbable Hemostat, Sterile, 3"x4" (7.6x10.2cm) (12 Per Box/ 2 Box Per Case)	103
1946	SURGICEL NU-KNIT, Absorbable Hemostat, Sterile, 6"x9" (15.2x22.9cm) (12 Per Box/ 2 Box Per Case)	196
1961	SURGICEL Fibrillar, Absorbable Hemostat, Sterile, 1"x2" (2.5x5.1cm) ((10 Per Box/ 1 Box Per Case))	285
1962	SURGICEL Fibrillar, Absorbable Hemostat, Sterile, 2"x4" (5.1x10.2cm) (10 Per Box/ 1 Box Per Case)	250
1963	SURGICEL Fibrillar, Absorbable Hemostat, Sterile, 4"x4" (10.2x10.2cm) (10 Per Box/ 1 Box Per Case)	240
1969	SURGIFOAM, Absorbable Gelatin Sponge, USP Sterile, Oral, (1x1x1cm) (24 Per Box/1 Box Per Case)	52
1972	SURGIFOAM, Absorbable Gelatin Sponge, USP Sterile, size 12-7 (2cm x6cm x7mm) (12 Per Box/ 1 Box Per Case)	3374
1973	SURGIFOAM, Absorbable Gelatin Sponge, USP Sterile, size 50 (8cm x6.25cm x10mm) (4 Per Box/ 1 Box Per Case)	11
1974	SURGIFOAM, Absorbable Gelatin Sponge, USP Sterile, size100 (8.5cm x12cm x10mm) (6 Per Box/ 1 Box Per Case)	1938

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1975	SURGIFOAM, Absorbable Gelatin Sponge, USP Sterile, size 100C (8.5cm x12cm x2mm) (6 Per Box/ 1 Box Per Case)	312
1977	SURGIFOAM, Absorbable Gelatin Sponge, USP Sterile, Hemorrhoidectomy Sponge, (8x3cm) (5 Per Box/ 1 Box Per Case)	26
1978	SURGIFOAM, Absorbable Gelatin Powder (from Absorbable Gelatin Sponge, USP) 1gram per unit (6 Per Box/ 1 Box Per Case)	348
1979	SURGIFOAM, Absorbable Gelatin Powder Kit (from Absorbable Gelatin Sponge, USP) 1 gram per unit (6 Per Box/ 1 Box Per Case)	162
1985	INSTANT MCH, Microfibrillar Collagen Hemostat, Sterile, 1Gram (4 Per Box/ 3 Box Per Case)	65
2081	SURGICEL SNoW Absorbable Hemostat 1"X2" (12 Per Box/ 2 Box Per Case)	71
2082	SURGICEL SNoW Absorbable Hemostat 2"X4" (12 Per Box/ 2 Box Per Case)	144
2083	SURGICEL SNoW Absorbable Hemostat 4"X4" (12 Per Box/ 2 Box Per Case)	195
3DPL	LG DIAMOND EXTND OVERLAY (3 Eaches Per Box)	4
VKML	12 X 12 VIC UND MESH (3 Eaches Per Box)	71
VKMM	6 X 6 VIC UND MESH (3 Eaches Per Box)	26
VWML	12 X 12 VIC UND MESH (1 Eaches Per Box)	68
VWMM	6 X 6 VIC UND MESH (1 Eaches Per Box)	26
3DPM	MED DIAMOND EXTND OVERLAY (3 Eaches Per Box)	6
OPENSTRAP20	ETHICON SECURESTRAP OPEN 6 DEVICES PER SALES UNIT (6 Eaches Per Box)	27
OPHY1010	PHYSIOMESH Open 10x10 cm	6
OPHY1215	PHYSIOMESH Open 12x15 cm	8
OPHY1520	PHYSIOMESH Open 15x20 cm	10
OPHY1525	PHYSIOMESH Open 15x25 cm	8
OPHY2030	PHYSIOMESH Open 20x30 cm	4
OPHY2536	PHYSIOMESH Open 25x36 cm	1
PCDB1	PROCEED SURGICAL MESH (1 Eaches Per Box) 5x10cm	3
PCDD1	PROCEED SURGICAL MESH (1 Eaches Per Box) 10x20cm	8
PCDG1	PROCEED SURGICAL MESH (1 Eaches Per Box)15x20cm	51
PCDH1	PROCEED SURGICAL MESH (1 Eaches Per Box)20x25cm	31
PCDJ1	PROCEED SURGICAL MESH (1 Eaches Per Box)20x30cm	9
PCDL1	PROCEED SURGICAL MESH (1 Eaches Per Box)30.5x30.5cm	3
PCDM1	PROCEED SURGICAL MESH (1 Eaches Per Box)15x15cm	30
PCDN1	PROCEED SURGICAL MESH (1 Eaches Per Box)10x15cm	53
PCDR1	PROCEED SURGICAL MESH (1 Eaches Per Box)7.5x15cm	17
PCDT1	PROCEED SURGICAL MESH (1 Eaches Per Box)26x34cm	8

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PCDW1	PROCEED SURGICAL MESH (1 Eaches Per Box)25x35.5cm	8
PHSE	PROLENE* POLYPROP.HERNIA SYST. (3 Eaches Per Box)10cm	125
PHSE6	PROLENE POLYPROP.HERNIA SYSTEM 1x0 TIE (1 Eaches Per Box)	4
PHSL	PROLENE* POLYPROP.HERNIA SYST. 10cm(3 Eaches Per Box)	127
PHSL6	PROLENE* POLYPROP.HERNIA SYST. 1x0 TIE (1 Eaches Per Box)	14
PHSM	PROLENE* POLYPROP.HERNIA SYST. 7.5cm(3 Eaches Per Box)	87
PHSM6	PROLENE* POLYPROP.HERNIA SYST. (1 Eaches Per Box) 7.5CM	12
PMH	PROLENE* POLYPROPYLENE MESH (6 Eaches Per Box) 15x15cm	123
PMII	PROLENE* POLYPROP.MESH (6 Eaches Per Box) 8x15cm	340
PML	PROL MESH (3 Eaches Per Box) 30x30cm	59
PMLK	PROLENE*POLYPROPYLENE MESH (6 Eaches Per Box) 6x13.7cm	10
PMSK	PROLENE*POLYPROPYLENE MESH (6 Eaches Per Box)4.6x10cm	8
PMXL	PROLENE* POLYPROP.MESH (6 Eaches Per Box)	No history
PMXS	PROLENE*POLYPROPYLENE MESH (1 Eaches Per Box)	2
PVPM	PROCEED* Ventral Patch Medium Circle (6.4 cm x 6.4 cm) (2 Eaches Per Box)	246
PVPS	PROCEED* Ventral Patch Small Circle (4.3 cm x 4.3 cm) (2 Eaches Per Box)	235
SPMH	PROL*SOFT POLYPROPYLENE MESH (6 Eaches Per Box)	22
SPMII	PROL*SOFT POLYPROPYLENE MESH (6 Eaches Per Box)	84
SPMLI	PROL*SOFT POLYPROPYLENE MESH (3 Eaches Per Box)	7
SPMS	PROL*SOFT POLYPROPYLENE MESH (6 Eaches Per Box)	No history
SPMXXL	PROL*SOFT POLYPROPYLENE MESH (3 Eaches Per Box)	16
STRAP12	ETHICON SECURESTRAP 5MM ABSORBABLE STRAP FIXATION DEVICE, 12 Count, 6 Units (6 Eaches Per Box)	10
STRAP25	ETHICON SECURESTRAP 5MM ABSORBABLE STRAP FIXATION DEVICE, 25 Count, 6 Units (6 Eaches Per Box)	365
UHSL	ULTRAPRO HERNIA SYSTEM (LARGE) (3 Eaches Per Box)	102
UHSL6	ULTRAPRO HERNIA SYSTEM (LARGE) (6 Eaches Per Box)	15
UHSM	ULTRAPRO HERNIA SYSTEM (MEDIUM) (3 Eaches Per Box)	58
UHSM6	ULTRAPRO HERNIA SYSTEM (MEDIUM) (6 Eaches Per Box)	6
UHSOV	ULTRAPRO HERNIA SYSTEM (OVAL) (3 Eaches Per Box)	24
UML1	ULTRAPRO* PARTIALLY ABSRB MESH (1 Eaches Per Box)	556
UMM3	ULTRAPRO* PARTIALLY ABSRB MESH (3 Eaches Per Box)	99

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UMR3	ULTRAPRO* PARTIALLY ABSRB MESH (3 Eaches Per Box)	390
UMS3	ULTRAPRO* PARTIALLY ABSRB MESH (3 Eaches Per Box)	85
UPLUG401	ULTRAPRO COMFORT PLUG 40mm 1 Device (1 Eaches Per Box)	No history
UPLUG403	ULTRAPRO COMFORT PLUG 40mm 3 Device (3 Eaches Per Box)	1
UPLUG406	ULTRAPRO COMFORT PLUG 40mm 6 Device (6 Eaches Per Box)	2
UPLUG551	ULTRAPRO COMFORT PLUG 55mm 1 Device (1 Eaches Per Box)	No history
UPLUG553	ULTRAPRO COMFORT PLUG 55mm 3 Device (3 Eaches Per Box)	2
UPLUG556	ULTRAPRO COMFORT PLUG 55mm 6 Device (6 Eaches Per Box)	2
UPPL2	ULTRAPRO PLUG (LARGE) (2 Eaches Per Box)	42
UPPL6	ULTRAPRO PLUG (LARGE) (6 Eaches Per Box)	5
UPPM2	ULTRAPRO PLUG (MEDIUM) (2 Eaches Per Box)	60
UPPM6	ULTRAPRO PLUG (MEDIUM) (6 Eaches Per Box)	10
UPPS2	ULTRAPRO PLUG (SMALL) (2 Eaches Per Box)	16
UPPS6	ULTRAPRO PLUG (SMALL) (6 Eaches Per Box)	8
SXMD1B100	3-0 30cm STRATAFIX Spiral PGA-PCL Clear PS-1	36
SXMD1B101	3-0 60cm STRATAFIX Spiral PGA-PCL Clear PS-1	10
SXMD1B102	2-0 60cm STRATAFIX Spiral PGA-PCL Clear PSL	12
SXMD1B103	3-0 30cm STRATAFIX Spiral PGA-PCL Clear PS-2	42
SXMD1B104	3-0 60cm STRATAFIX Spiral PGA-PCL Clear PS-2	36
SXMD1B105	4-0 30cm STRATAFIX Spiral PGA-PCL Clear PS-2	16
SXMD1B106	4-0 60cm STRATAFIX Spiral PGA-PCL Clear PS-2	11
SXMD1B402	4-0 20cm STRATAFIX Spiral PGA-PCL Clear RB-1	4
SXMD1B403	3-0 20cm STRATAFIX Spiral PGA-PCL Clear RB-1	47
SXMD1B404	2-0 20cm STRATAFIX Spiral PGA-PCL Clear RB-1	No history
SXMD1B405	3-0 20cm STRATAFIX Spiral PGA-PCL Clear SH	24
SXMD1B406	2-0 20cm STRATAFIX Spiral PGA-PCL Clear SH	29
SXMD1B407	3-0 45cm STRATAFIX Spiral PGA-PCL Clear CT-1	No history
SXMD1B408	2-0 45cm STRATAFIX Spiral PGA-PCL Clear CT-1	11
SXMD1B409	0 45cm STRATAFIX Spiral PGA-PCL Clear CT-1	1
SXMD2B150	SPIRAL PGA-PCL 30X30CM DBLE ARMED USP4/0 PS-1 (1 Dozen Per Box)	1
SXMD2B400	SPIRAL PGA-PCL 14X14CM DBLE ARMED USP2/0 MH (1 Dozen Per Box)	6
SXMD2B401	SPIRAL PGA-PCL 36X36CM DBLE ARMED USP2/0 MH (1 Dozen Per Box)	4
SXMD2B402	SPIRAL PGA-PCL 16X16CM DBLE ARMED USP3/0 RB-1 (1 Dozen Per Box)	2

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SXMD2B403	SPIRAL PGA-PCL 16X16CM DBLE ARMED USP4/0 RB-1 (1 Dozen Per Box)	3
SXMD2B404	SPIRAL PGA-PCL 7X7CM DBLE ARMED USP3/0 FS-2 (1 Dozen Per Box)	1
SXMD2B405	SPIRAL PGA-PCL 7X7CM DBLE ARMED USP4/0 FS-2 (1 Dozen Per Box)	No history
SXMD2B406	SPIRAL PGA-PCL 14X14CM DBLE ARMED USP3/0 FS-2 (1 Dozen Per Box)	34
SXMD2B407	SPIRAL PGA-PCL 14X14CM DBLE ARMED USP4/0 FS-2 (1 Dozen Per Box)	79
SXMD2B408	SPIRAL PGA-PCL 30X30CM DBLE ARMED USP3/0 FS-2 (1 Dozen Per Box)	15
SXMD2B409	SPIRAL PGA-PCL 30X30CM DBLE ARMED USP4/0 FS-2 (1 Dozen Per Box)	33
SXMD2B410	SPIRAL PGA-PCL 30X30CM DBLE ARMED USP3/0 FS-1 (1 Dozen Per Box)	81
SXMD2B411	SPIRAL PGA-PCL 14X14CM DBLE ARMED USP3/0 FS (1 Dozen Per Box)	8
SXMD2B412	SPIRAL PGA-PCL 30X30CM DBLE ARMED USP3/0 FS (1 Dozen Per Box)	57
SXMD2B413	SPIRAL PGA-PCL 30X30CM DBLE ARMED USP4/0 FS (1 Dozen Per Box)	4
SXMD2B414	SPIRAL PGA-PCL 14X14CM DBLE ARMED USP2/0 CP-2 (1 Dozen Per Box)	No history
SXPD1B100	3-0 45cm STRATAFIX Spiral PDO Dyed PS-2	1
SXPD1B101	4-0 45cm STRATAFIX Spiral PDO Dyed PS-2	3
SXPD1B400	2-0 20cm STRATAFIX Spiral PDO Dyed CT-1	27
SXPD1B401	2-0 30cm STRATAFIX Spiral PDO Dyed CT-1	54
SXPD2B200	SPIRAL PDO 24X24CM DBLE ARMED USP1 OS-6 (1 Dozen Per Box)	7
SXPD2B201	SPIRAL PDO 30X30CM DBLE ARMED USP1 OS-6 (1 Dozen Per Box)	No history
SXPD2B202	SPIRAL PDO 36X36CM BLE ARMED USP1 OS-8 (1 Dozen Per Box)	57
SXPD2B400	PIRAL PDO 36X36CM DBLE ARMED USP1 MO-4 (1 Dozen Per Box)	2
SXPD2B401	SPIRAL PDO 14X14CM DBLE ARMED USP1 CT-1 (1 Dozen Per Box)	No history
SXPD2B402	SPIRAL PDO 24X24CM DBLE ARMED USP1 CT-1 (1 Dozen Per Box)	7
SXPD2B403	SPIRAL PDO 30X30CM DBLE ARMED USP1 CT-1 (1 Dozen Per Box)	9
SXPD2B404	SPIRAL PDO 14X14CM DBLE ARMED USP0 CT-3 (1 Dozen Per Box)	No history
SXPD2B406	SPIRAL PDO 7X7CM DBLE ARMED USP2/0 MH (1 Dozen Per Box)	No history

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SXPD2B407	SPIRAL PDO 14X14CM DBLE ARMED USP2/0 MH (1 Dozen Per Box)	1
SXPD2B408	SPIRAL PDO 24X24CM DBLE ARMED USP2/0 MH (1 Dozen Per Box)	29
SXPD2B409	SPIRAL PDO 14X14CM DBLE ARMED USP0 MH (1 Dozen Per Box)	0
SXPD2B410	SPIRAL PDO 24X24CM DBLE ARMED USP0 MH (1 Dozen Per Box)	6
SXPD2B411	SPIRAL PDO 30X30CM DBLE ARMED USP0 MH (1 Dozen Per Box)	No history
SXPD2B412	SPIRAL PDO 36X36CM DBLE ARMED USP2/0 MH (1 Dozen Per Box)	8
SXPD2B413	SPIRAL PDO 10X10CM DBLE ARMED USP2/0 SH (1 Dozen Per Box)	No history
SXPD2B414	SPIRAL PDO 14X14CM DBLE ARMED USP2/0 SH (1 Dozen Per Box)	13
SXPD2B415	SPIRAL PDO (1 Dozen Per Box)	No history
SXPD2B416	RAL PDO 24X24CM DBLE ARMED USP1 CP-2 (1 Dozen Per Box)	No history
SXPD2B417	SPIRAL PDO 14X14CM DBLE ARMED USP3/0 FS (1 Dozen Per Box)	1
SXPD2B418	SPIRAL PDO (1 Dozen Per Box)	No history
SXPD2B419	SPIRAL PDO 24X24CM DBLE ARMED USP3/0 FS (1 Dozen Per Box)	4
SXPD2B420	SPIRAL PDO (1 Dozen Per Box)	2
SXPD2B421	SPIRAL PDO 7X7CM DBLE ARMED USP5/0 FS-2 (1 Dozen Per Box)	No history
SXPD2B422	SPIRAL PDO 7X7CM DBLE ARMED USP4/0 FS-2 (1 Dozen Per Box)	No history
SXPD2B423	SPIRAL PDO 14X14CM DBLE ARMED USP4/0 FS-2 (1 Dozen Per Box)	No history
SXPD2B424	PIRAL PDO 24X24CM DBLE ARMED USP4/0 V-26 (1 Dozen Per Box)	1
SXPD2B425	SPIRAL PDO 14X14CM DBLE ARMED USP4/0 V-26 (1 Dozen Per Box)	No history
SXPD2B426	SPIRAL PDO 24X24CM DBLE ARMED USP4/0 V-4 (1 Dozen Per Box)	No history
SXPL1B400	2-0 30cm STRATAFIX Spiral Polypropylene Clear SH-1	5
SXPL2B400	SPIRAL POLYPROPYLENE SPIRAL POLYPROPYLENE (1 Dozen Per Box)	20
SXPL2B401	SPIRAL POLYPROPYLENE SPIRAL POLYPROPYLENE (1 Dozen Per Box)	No history
SXPP1A100	3-0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO PS-1	No history
SXPP1A101	3-0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO PS-2	3
SXPP1A200	0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO OS-6	No history
SXPP1A201	1 45CM STRATAFIX SYMMETRIC PDS V VIO OS-6	13



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SXPP1A300	1 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CTXB	25
SXPP1A301	1 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CTB-1	1
SXPP1A302	0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CTXB	13
SXPP1A400	1 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CTX	138
SXPP1A401	0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CT-1	14
SXPP1A402	0 45cm STRATAFIX SYMMETRIC PDS PLUS VIO CTX	No history
SXPP1A403	2-0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CT-1	2
SXPP1A404	1 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CT-1	48
SXPP1A405	1 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CT	4
SXPP1A406	0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CT	No history
SXPP1A407	0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CT-2	No history
SXPP1A408	2-0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO CT-2	3
SXPP1A409	2-0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO SH	No history
SXPP1A410	3-0 45CM STRATAFIX SYMMETRIC PDS PLUS VIO SH	1

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. The items indicating an unknown anticipated Quantity have been recently added to the vendor's FSS schedule. VHA analyzed the fiscal year (FY) 2015 Medical Products Data Bank, focusing on the top high-volume purchases and identified 171 types of critical medical supply distributed by Ethicon US LLC. 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 \$7,639,950.09. 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 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

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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 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

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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 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

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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.
- 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).

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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.

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.