

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA258-16-AP-3882

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: ARUP Laboratories, Inc.

Manufacturer/Contractor POC & phone number: [REDACTED]

Mfgr/Contractor Address: 500 Chipeta Way, Salt Lake City, UT 84018

Dealer/Rep address/phone number: [REDACTED]

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs
Network Contracting Office (NCO) 18

VETERANS INTEGRATED SERVICE NETWORK (VISN):

18

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

The NCO 18 Contracting Office proposes Limited-Source Call on a current, Blanket Purchase Agreement with ARUP Laboratories, Inc., V797P-7211A, for specialized clinical and anatomic pathology diagnostic testing services. This Service is for the Phoenix Veterans Administration Healthcare System. (PVAHCS) The Purchase Request number is 644-17-1-034-0014.

(3) SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

This procurement is for acquisition of laboratory testing services. The services required are for specialized clinical and anatomic pathology diagnostic testing services. The services are required on an as-needed basis, for laboratory testing protocols, not performed by the in-house laboratory.

(b) ESTIMATED DOLLAR VALUE: \$ [REDACTED]

(c) REQUIRED DELIVERY DATE: 01 October 2016 thru 30 September 2017

(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.

☐ 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.

- ☐ A patent, copyright or proprietary data limits competition. The proprietary data is:
- ☐ 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 results for the laboratory testing must be able to be entered by the testing laboratory in the Veterans Administration's patient record system, VistA. After conducting market research it has been found that in order to change VistA, to add new or different laboratory testing information, will take six (6) to (8) months to make the changes. This requirement for laboratory testing needs to be in place and 100% operational on the first day of the new fiscal year, 10/01/2016. A lapse in service will have a serious effect on patient care and safety.

- ☐ 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:

Since this procurement will be issued as a call against an existing Western States Network Consortium (WSNC) Blanket Purchase Agreement, VA260-16-A-0006, issued against GSA Contract V797P-7211A, the anticipated cost is considered to be fair and reasonable in accordance with (IAW) Federal Acquisition Regulation (FAR) Part 8.404(d). FAR 8.404(d) states that the "GSA has already determined the prices of supplies and fixed-price services, and rates for services offered at hourly rates, under schedule contracts to be fair and reasonable. Therefore, ordering activities are not required to make a separate determination of fair and reasonable pricing." Furthermore, "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 (as defined in FAR 2.101) and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs." Also, prices proposed by Laboratory Corporation of America for the laboratory testing services are in line with those previously paid by current facility task orders for the same or similar work on earlier requirements and the Contracting Officer will seek further discounts if appropriate. Before issue of individual call (anticipated NTE [REDACTED], the Contracting Officer will ensure that the prices are within the WSNC BPA negotiated prices and within costs recently issued for similar procurements.

(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. There are currently four active (4) WSNC BPA's. The PVAHCS is currently using three (3) of the four (4) WNSC BPA's to meet the majority of their testing needs. (Laboratory Corporation of America, VA260-16-A-0008 and Senora Quest Diagnostics, VA260-16-A-0009 and ARUP laboratories, VA260-16-A-0006). There are a total of five (5) different laboratory testing providers used by the PVAHCS. The PVAHCS uses Senora Quest (V797D-30073) and the Mayo Collaborative Services, (VA258-15-P-0142) for very specific specialized testing and when needed, same day service.

(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 may be possible to start the acquisition process 11 months in advance of the need for laboratory services. If approved, compete the requirement between all four of the BPA Holders and have the closing, eight (8) to (10) ten months prior to the end of the Fiscal Year. The government then may choose to issue a call, subject to the next year's funding, in order start the process of entering the testing result information needed in VistA. In order to have the information added to VistA prior to the effective date of the first day of the new fiscal year. However the CS has not looked into the cost, if any, for adding the information into the system. If the information is added in house using Government Employees then this may be an option. If data entry is conducted by contractors or a contracted company, then there may be conflict with the "Bona-Fide Needs Rule" and will need additional research.

(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.)*



SIGNATURE

09/14/2016

DATE



NAME

Supervisor, Procurement & Distribution

TITLE

Phoenix VA Health Care System (PVAHCS)
FACILITY

(10) 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.

[REDACTED]

09/15/2016

[REDACTED]

DATE

Contracting Officer
Branch Manager -Services Contracting

b. DIVISION CHIEF: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

[REDACTED]

[REDACTED]

DATE

Division Chief 1
Network Contracting Office 18