

Department of Veterans Affairs  
Veterans Health Administration  
Washington, DC 20420

VHA Procurement and Logistics  
Standard Operating Procedure  
March 22, 2011

Attachment 1: Limited Sources Justification

**LIMITED SOURCES JUSTIFICATION**

**ORDERS >\$3,000**

**FAR PART 8.405-6(g)**

**2237 Transaction # or Vista Equipment Transaction #: 650-12-2-9812-0024**

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:** Xerox Corp

**Manufacturer/Contractor POC & phone number:** Xerox, Lamont White, 1-800-828-9090

**Mfgr/Contractor Address:** Xerox, P.O. Box 42020, St Petersburg, Florida 33742

**Dealer/Rep address/phone number:** Lamont White, 10 Orms Street, Providence, Rhode Island, 1-800-822-2200

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

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs

**VISN:**

VISN 1

Providence, VA Medical Center

830 Chalkstone Avenue

Providence, RI 02908-4799

**(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:** The intent of this contract is to replace the existing leased equipment under the current 60 month Fair Market Value (FMV) lease plan (as trade-in equipment) of the Xerox High capacity copier with a high capacity feeder, to include a booklet finisher, punch, inserter, folder for light product finisher and software upgrades for use in the Reproduction Center.

The current Xerox High capacity copier was implemented in the year 2007 utilizing GSA Contract GS-25F-0062L and was part of a 60 month FMV lease plan. The equipment was negotiated between Acquisition and Xerox (and bypassed Contracting) in accordance with the terms and conditions applicable for the lease using GS-25F-0062L and individual task orders were placed by the Inventory Manager until 2009 and then Contracting issued individual task orders as well. The prices previously paid in the past and as to date have been firm fixed.

Since 2007 and under the current 60 month FMV, the equipment in use to be replaced does not include upgraded features for departments to electronically send reproduction requirements by computer in the medical center which would save time for staff to complete a form and physically carry the printing job by hand into reproduction.

The replacement would include the exact same Model Xerox as previously used with the features for upgrades not available on the current equipment since the 60 Month Fair Market Value (FMV) Lease Plan began in 2007. The replacement device numbers are as follows: Device Model W7665PGC Copier Printer Serial Number VDR001406 and High Speed Feeder Model 4595CPGC Serial Number FBG111641.

Therefore, the establishment of a Blanket Purchase Agreement (BPA) would include a new 60 month FMV lease plan to begin on or about 3/1/12 to incorporate the trade-in equipment as part of the current lease agreement for (Trade-In Equipment) installed since 2007.

**3. (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:** The contractor shall provide the lease to include all service and maintenance for the high capacity copy machine with the high capacity feeder to include all parts, labor and toner for use in the Reproduction Center.

**(b) ESTIMATED DOLLAR VALUE:** \$ 47,609.60

**(c) REQUIRED DELIVERY DATE:** March 1, 2012 through February 28, 2013

**(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.**

Under the current 60 month FMV lease plan, Xerox offers EA (Emulsion Aggregation) artificially grown Toner which is a breakthrough Xerox® technology and all rights reserved for producing black and color toner. The Xerox equipment being leased is pioneered by Xerox by the practice of reuse, remanufacturing and recycling of imaging equipment. Equipment that is returned to Xerox such as the leased equipment in need of replacement can be remanufactured by Xerox controlling E-waste. (All supporting documents are attached.)

By using the current contractor under the existing 60 month FMV lease plan and to continue leasing new equipment from Xerox, the medical center meets Green Compliance Measures for Energy Star/Energy-Efficient Products and Environmentally Preferable Products (EPP).

X A patent, copyright or proprietary data limits competition. The EA Toner as described above.

X The “direct replacements” parts/components are inclusive under the service and maintenance agreement that is applicable to the existing equipment currently leased under the 60 month FMV Lease Plan and will continue to be utilized replacement equipment that is installed under the establishment of a BPA for a 60 month FMV Lease Plan Xerox offers with GS-25F-0062L.

X 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 high capacity Model Xerox currently installed since 2007 has been programmed and networked by Jim Bennett from the IT Department for the Reproduction area only, missing from the equipment since 2007 is the ability for other departments in the medical center to interface with the new upgraded equipment to be installed. The Chief, PPM, Xerox and Jim Bennett met recently to discuss the connectivity involved with upgraded equipment needed and there is compatibility for departments to electronically transmit work to be copied once IT processes the connection with the features available on the upgraded equipment. There is no outside remote access, therefore, Xerox is unable to connect into the hospital’s computer system remotely and there is no need for that feature. The IT Department will assist for the programming; there are no issues for interfacing with the existing system if the brand of Xerox is used. This will save time and the IT Technician has experience working with Xerox brand equipment. The Reproduction Area has in place locations for the Xerox equipment to be connected and the dimensions of the equipment fits in the restricted area.

X 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. N/A

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays. N/A

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**(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

The continuation of leasing the copy machine equipment and establishing a BPA which was not created in 2007 when Xerox and Acquisition engaged in the 60 month FMV lease plan addresses the streamlining of the acquisition process to acquire the lease, service and maintenance from the (GSA) and Federal Supply Service (FSS) Contract for this repetitive requirement. Utilizing services from a scheduled contractor offers the best value to the Government because the authorized federal supply schedule pricelist offered are determined to be fair and reasonable between GSA and the Contractor.

For the new proposal, Xerox has offered lower prices from the agreement established in comparison to 2007. Using Energy Star/Energy Efficient Products promotes cost savings and meets measures for Green Compliance. The prices presented for the leased replacement (trade-in equipment) to begin 3/1/12 through 2/28/17 under a 60 month FMV lease that is still effective to include upgrades and having the same Model Xerox series offers the best value to the Government. Using a BPA and firm fixed prices provided under Xerox GSA Contract Number GS-025F-0062L with the 60 month FMV allows this medical center to maintain services with minimal disruption when the replacement occurs and not pose additional expenses for IT connection capabilities.

Leasing the current equipment rather than purchasing the equipment with a purchase price of \$73,084.00 is the best alternative. The estimated service and maintenance costs for a five year period averages to a cumulative estimate of \$38,563.00. If under ownership, a new upgrade feature was available, it would cost the Government additional money at an undetermined price to install such software upgrades without the guarantee that the equipment will be compatible to accept such advances in technology. It not in the best interest of the Government to purchase equipment for copy machines when the level of changing technology is unforeseen under ownership and older equipment becomes antiquated. The funds for equipment at this medical center do not support such a purchase as priority when the funds available need to address buys for medical equipment in lieu of administrative equipment.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**

The COR who is the Chief, Personal Property Management maintains experience to various equipment available in the industry she researched for other High Capacity Copiers and determined that Xerox offers the best plan to suit the needs of the Reproduction Center and the Fund Control Point she maintains at this medical center. The Contracting Officer verified with the Xerox Sales Representative the authenticity of the information provided regarding the specialized toner that is not available by other competitors.

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**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:** Xerox Corporation has been providing the leased equipment with service and maintenance under the 2007 60 month FMV lease plan for the existing copier with acceptable performance and prices. The products offered by Xerox for equipment and supplies meet compliance measures for Green initiatives. The staff working in the Reproduction Center has experience and familiarity with the Xerox equipment requiring minimal training. The IT staff has the experience and knowledge as

well working with Xerox equipment to establish the new connections needed for departments to electronically send work which will save paper. Xerox has been used in the Reproduction for over 20 years at this medical center without complaints and has provided service promptly to service calls and resolved issues. Staff is available by phone and e-mail for points of contact without difficulty. There have been no findings in defective and faulty equipment and toner making Xerox a reliable contractor to continue services.

**(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:**

The existing contractor installed the equipment in accordance with their contract GS-25F-0062L under a 60 Month FMV lease plan in 2007 (**copy attached**). The use of the EA toner and energy star/energy efficient products offered by Xerox meet Green initiatives. Under the present leasing agreement since 2007, to solicit the requirement and re-consider other competitors would not be cost effective and not in the best interest of the government as a GSA Operating Lease Termination Ceiling Charge Schedule is applicable. It would cost this medical center an additional \$13,537.27 if the equipment was to be replaced before the end of the 60 month FMV is completed since the 2007 implementation.

When the last BPA period expires in the year 2017 consideration will be given to re-search the industry and equipment for high capacity and high volume copy machines to see what is available to conform to the needs of the Reproduction Center from the Chief, Personal Property Management,(PPM) and in accordance to changing technology and Green Compliance initiatives.

**(9) REQUIREMENTS CERTIFICATION:** I certify that the requirement outlined in this justification is a bonafide 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.

Mary Hanning

SIGNATURE

2/16/2012

DATE

NAME: Mary Hanning

Chief (Acting) LOGISTICS

TITLE:

SERVICE LINE/SECTION

650 Providence VAMC

FACILITY

**(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(h):**

**a. CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

**Sandra Mosca**

Digitally signed by Sandra Mosca  
DN: c=US, o=U.S. Government, ou=Department  
of Veterans Affairs, ou=Internal Staff,  
0.9.2342.19200300.100.1.1=sandra.mosca@va.g  
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2/23/2012

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CONTRACTING OFFICER'S SIGNATURE

\_\_\_\_\_  
DATE

Name: Sandra Mosca  
Title: Contracting Officer  
Facility: VAMC, Providence, RI

**HIGHER LEVEL APPROVAL (For orders over \$500,000):** ☐ REQUIRED ☒ NOT REQUIRED

**Supervisor for Service Team:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

**Jacalyn  
Trudeau**

Digitally signed by Jacalyn Trudeau  
DN: c=US, o=U.S. Government,  
ou=Department of Veterans Affairs,  
ou=Internal Staff,  
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deau@va.gov, cn=Jacalyn Trudeau  
Date: 2012.02.23 09:43:30 -05'00'

Name: Jacalyn Trudeau  
Title: Acting Manager, Contracting Officer  
Facility: Manchester, VAMC

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Date:

**VISN/PCA QA:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

**Mary J  
Connors**

Digitally signed by Mary J Connors  
DN: c=US, o=U.S. Government,  
ou=Department of Veterans Affairs,  
ou=Internal Staff,  
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va.gov, cn=Mary J Connors  
Date: 2012.03.27 11:24:38 -04'00'

Name: Mary J. Connors  
Title: Quality Assurance/Contract Compliance Officer  
Facility: VAMC, Brockton, MA

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Date