

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, VISN 16, Central Arkansas Veterans Healthcare System Medical Center
2. **Nature and/or Description of the Action Being Processed:** This is for repair work to an existing piece of equipment (the Ventana Benchmark XT automated slide preparation system) in the Pathology and Laboratory Medicine Service (P&LMS). The instrument is used to produce special stains for histological specimens. These specimens with special stains are needed to perform diagnosis of pathological diseases, such as cancer.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The service and parts are to repair the existing instrument before it is completely inoperable. At this point there are numerous stations of the instrument that are nonfunctional, and without repair, more stations will go out, rendering this instrument inoperable. This instrument needs to be repaired to provide timely and accurate lab results for continued Veteran care.
4. **Statutory Authority Permitting Other than Full and Open Competition**
(X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** The instrument in use, the Ventana Benchmark XT automated slide preparation system, needs to be repaired. As a cost-cutting measure, biomedical engineering has not had a contract with the manufacturer, Ventana, for maintenance and repair of this instrument. As a consequence, the instrument needs repair work and only Ventana is authorized and able to repair it – parts cannot be interchanged with other manufacturers. This instrument is critical to the process of providing special stains for surgically removed specimens used in the diagnosis of disease states. If the instrument is not repaired, it will continue to have more staining wells go out until the entire instrument is nonfunctional. Failure to repair this equipment will delay results which will cause delayed treatment for our Veterans. A delay in treatment will lead to further health complications which will result in severe health problems or death. Biomedical engineering has been in consultation with Ventana and agrees that the instrument needs to be repaired as quickly as possible.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable: A review of government databases was conducted to find vendors that could provide labor and parts for the existing equipment. No vendors were found that could provide the required service or parts. Contact was also made with Ventana for a list of vendors that distribute or provide service for Ventana equipment. Ventana provided the following response:

To Whom it May concern:

This letter is to confirm that Ventana Medical Systems, Inc, is the sole source provider of service, parts and training for the Benchmark XT and NexES Special Stains slide strainers located at the VA, Little Rock.

Ventana Medical Systems, Inc. is the manufacturer of these instrument and as such, Ventana has the only factory trained and authorized service technicians and parts.

*Lisa Bulver
Senior Service Sales Specialist
Ventana Medical Systems, Inc
A member of the Roche Group
1910 Innovation Park Drive
Tucson, AZ 85755*

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

Ventana Medical Systems, Inc. provides the Benchmark XT on a GSA supply schedule. Ventana Medical has a service agreement contract on GSA supply schedule. However, CAVHS has not purchased a service agreement from Ventana Medical. Unless a service agreement is purchased, Ventana Medical does not provide the replacement parts or labor on a GSA supply schedule. Therefore, CAVHS must purchase parts and labor open market.

Ventana Medical provides the same price for replacement parts and labor to all customers. The CAVHS quoted price was compared with Ventana Medical's parts price list. Based on the below information, the CAVHS quoted price is determined to be fair and reasonable.

ITEM DESCRIPTION	UNIT	CAVHS PRICE	LIST PRICE
30 POSITION SLIDE TRAY	EA	\$ 13,255.10	\$ 13,255.10
ASSEMBLY SLIDES	EA	304.80	298.09
PORT EXPANDER	EA	333.38	333.38
TRAVEL	HOUR	400.00	400.00
LABOR	HOUR	400.00	400.00

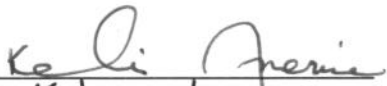
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** A review of government databases was conducted to find vendors that could provide labor and parts for the existing equipment. No vendors were found that could provide the required service or parts. Contact was also made with Ventana for a list of vendors that distribute or provide service for Ventana equipment. Ventana does not distribute their parts to other vendors. Ventana only certifies Ventana technicians; Ventana does not certify any technicians that are not employed with the company.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** To support the market research, a sole source proprietary letter for labor and parts was obtained from Ventana.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Lisa Bulver, Senior Inside Sales Specialist, Ventana Medical Systems, Inc., phone (800-227-2155 x3789)
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:** In the future, the pathology lab will be advised to seek major equipment that can be procured through full and open competition. In addition to seeking major equipment that facilitates full and open competition, the pathology lab will also be advised to seek major equipment that has replacement parts available from multiple sources. The contracting office will provide all necessary assistance and guidance to procure major equipment through full and open competition in accordance with the FAR.
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.

Martha S Bell
Name: Martha S. Bell
Title: Laboratory Manager
Facility: CAVHS

5/31/2012
Date

13. **Approvals in accordance with FAR 6.304**

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


Name Kelvin Amerine
Title Contracting Officer
Facility CAVHS 100598

31 May 2012
Date

- b. **NCM/PCM (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.


Name RICHARD S. Edens
Network Contract Manager / DESIGNEE
VISN/PCA 16

5/31/2012
Date

Title: CHIEF, NCD 16 - CAVHS
Facility 598- CAVHS

- c. **SAO (If over 500K):** I certify the justification meets requirements for other than full and open competition.

Name
Director
Service Area Office, East

Date

- d. **VHA HCA Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval (if over \$10million) or approve (\$500K to 10 million) for other than full and open competition.

Name
Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

Date

e. **VA Deputy Senior Procurement Executive Approval (over \$10 million but not exceeding \$50 million):**

I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for other than full and open competition.

Iris B. Cooper
Deputy Senior Procurement Executive (DSPE)
Office of Acquisition and Logistics
Department of Veterans Affairs

Date

f. **VHA Senior Procurement Executive Approval (over \$50 million):** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for other than full and open competition.

Jan R. Frye
Deputy Assistant Secretary for Acquisition and Logistics
Senior Procurement Executive (SPE)
Department of Veterans Affairs

Date