

DEPARTMENT OF VETERANS AFFAIRS

**Justification and Approval
For
Other Than Full and Open Competition**

Acquisition Plan Action ID: VA246-17-AP-13030

1. Contracting Activity:

Department of Veterans Affairs, VISN 06, Network Contracting Office 06, 100 Emancipation Drive, Hampton, Virginia 23667

2. Nature and/or Description of the Action Being Processed:

This is a Brand Name Only Requirement for Olympus Brand GI Endoscopes, Urology Scopes, Sinus Scopes supporting hardware and accessories for the Asheville VAMC, Hampton VAMC and Salem VAMC which will be added to the existing inventory of Olympus Brand Scopes and seamlessly integrate into the existing and future infrastructure of the OR and clinics at the medical facilities. This requirement shall be executed as a sole source to Alliant Healthcare under the authorities cited in Para. 4 of this document.

3. Description of Supplies/Services Required to Meet the Agency's Needs:

This Requirement is for Olympus Brand Scopes, supporting hardware and accessories for the aforementioned which will be added to the existing inventory of Olympus Brand Scopes and will seamlessly integrate into the existing infrastructure of the Asheville VAMC, Hampton VAMC and Salem VAMC. The Medical Centers are in need of this additional equipment to replace unserviceable inventory and provide additional back up equipment when equipment in inventory becomes unserviceable or is sent offsite for repair. Additionally, the equipment must be identical to the inventory within the Medical Center Campus'. Estimated Value of this procurement is approximately \$_____.

4. Statutory Authority Permitting Other than Full and Open Competition:

- (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- (2) Unusual and Compelling Urgency per FAR 6.302-2;
- (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
- (4) International Agreement per FAR 6.302-4
- (5) Authorized or Required by Statute FAR 6.302-5;
- (6) National Security per FAR 6.302-6;
- (7) Public Interest per FAR 6.302-7;

This requirement will be executed under the authorities cited above the in conjunction with Public Law 38 U.S.C. 8127(b) and VAAR 819.7007 Sole Source Awards to Service-Disabled Veteran-Owned Small Business Concerns.

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):

Olympus America Inc. and their subsequent business relationships that have led to Alliant Healthcare being the only authorized distributor of Olympus Brand Equipment as of 31 Jan 2017.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

The Contracting Officer relied on personal knowledge of this and similar requirements for the VISN 06 GI Clinics. The CO is familiar with Olympus America and their present day business relationships for scope related product lines. Additionally, VIP was utilized to validate Alliant Healthcare's claim to SDVOSB Status. Furthermore, a memo dated 1 Feb 2017 was submitted to the contracting officer in response to inquiry in which Olympus asserts that "Alliant Healthcare has been selected by Olympus America Inc. as its exclusive authorized SDVOSB partner"

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

The business relationship between Alliant Healthcare and Olympus has formed a price-lock to which fact that Alliant is prohibited from selling Olympus products to the VA for any more than the Olympus FSS price.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

Market research was conducted via utilizing the World Wide Web, Google, GSA Advantage, Medsur Catalog Search Tool hosted by the National Acquisition Center (CSST), Tele-cons with Subject Matter Experts, Tele-Cons with Industry Vendor Information Pages (VIP) and the Contracting Officer's personal knowledge.

As a result of all market research conducted it was found that most items required to meet the minimum needs of the Government are available via Karl Storz FSS Contract V797D-30255. VIP returned 116 Vet Owned Businesses under the applicable NAICS Code of 334510. VIP was also utilized to validate L1 Enterprises claim to SDVOSB Status. Furthermore, Karl Storz asserted that "Karl Storz and L1 Enterprises Inc. formed a Strategic Partnership for the purposes of sale to the Department of Veteran Affairs and that L1 Enterprises Inc. had been selected by Karl Storz Endoscopy as its Strategic SDVOSB Partner".

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

VISN 6 had a previous requirement to lease endoscopic equipment from Olympus America in accordance with DUSHOM Policy Memo Dated 6 Dec 2010 which mandated standardization and Leasing of endoscopic equipment. As required, VISN 6 executed a lease with Olympus America for endoscopic equipment as it had previously standardized upon. During FY 2016 all VISN 6 Olympus Scope Leases were bought-out for a long term multi-million dollar future cost savings initiative which equated to \$14.8M over approx. 6 years.

Additionally, Olympus had previously announced that they would no longer support the software infrastructure (EndoWorks) necessary for the scopes and hardware in early calendar year 2018. As a direct result of such notification, VISN 6 sought and awarded a \$1.5M VISN Level Contract for a replacement system and subsequent \$1.1M Maintenance/Support Contract for the system that goes into effect post installation all spec'd to Olympus Brand Equipment in inventory.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

Olympus America, Inc.
3500 Corporate Pkwy
Center Valley, PA, 18034-8229
Large Business

Alliant Healthcare
333 Bridge Street NW, Suite 1125
Grand Rapids, MI, 49504-5367
SDVOSB – CVE Verified

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:

Efforts to overcome and remove barriers of competition shall be addressed upon the next opportunity for VISN 06 Medical Centers refresh of both Hardware and Supporting Software. With VISN 06's recent activity in standardizing at an enterprise level, it has become cost prohibitive to do at this time.

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.

THERESSA DODSON
Inventory Management Specialist
Salem VAMC

Date

13. Approvals in accordance with the VHAPM, Volume 6, Chapter VI: OFOC SOP. This part if filled out by Contracting Staff as part of the Justification

a. **Contracting Officer or Designee's Certification (required):**

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

KEITH W. HUNTER
Contracting Officer
Network Contracting Office 6

Date

b. **Director of Contracting /Designee:**

I certify the justification meets requirements for other than full and open competition.

DARRYL T. PERSON
Branch Chief, Supply Team I
Network Contracting Office 6

Date