

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: _____

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: Provide *original manufacturer's* name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, *ALSO* provide dealer information.)

Manufacturer/Contractor: ARUP Laboratories, Inc.

Manufacturer/Contractor POC & phone number: _____

Mfgr/Contractor Address: _____

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)
777 E. Missouri Avenue, Suite 300
Phoenix, AZ 85014

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

The limited source justification is for reference laboratory testing services for the VA Health Care System (PVAHCS). The Network Contracting Office (NCO) 18 plans to award a firm-fixed priced against FSS contract _____ . This is follow-on contract to the current contract _____ expiring September 30, 2017 with no option periods. A firm fixed price award will be extended six months on a month-by-month basis until VISN 22 can take over the reference laboratory contracts.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

This procurement is for a follow-on contract for the acquisition of laboratory testing services for the Phoenix VA Health Care System. 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: _____

(c) REQUIRED DELIVERY DATE: October 1, 2017 – March 31, 2018.

(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. (CHECK ALL THAT APPLY AND COMPLETE)

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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.

The results for laboratory testing must be able to be entered by the testing laboratory in the Veterans Administration's patient records 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 an estimated 6 to 8 months to make the necessary changes. This requirement for laboratory testing needs to be in place 100% operational on the first day of the new fiscal year October 1, 2017. A lapse in service will have an impact to patient care and safety.

A patent, copyright or proprietary data limits competition. The proprietary data is:
(If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)
N/A

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.

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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.

This procurement is for a follow-on contract for the acquisition of laboratory testing services for the Phoenix VA Health Care System. 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.

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

The Phoenix VA Health Care System requires laboratory results on a as-needed basis and same day service for its Veteran patients. A lapse in services will have a serious impact on patient health care and safety. The needed laboratory results must be entered in the Veterans Administration's patient record system. To add another contractor's system to interface with the Veteran Administration Patient's record system will take approximately six to eight months. The costs are unknown and further market

research will need to be performed to determine the actual costs and timeframe. The PVAHCS requires laboratory testing services on the first day of the next fiscal year October 1, 2017. VISN 22 will be taking over all reference laboratory service contracts in the new fiscal year.

(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:

Price determined fair and reasonable. 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. Placing an order against a schedule contract using the procedures FAR Part 8.405, the ordering activity has concluded that the order represents the best value.

(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 not conducted. The Phoenix VA Health Care System (PVAHCS) currently uses three of our BPA's to fulfill the majority of their testing needs. The three contractors are Sonora Quest, ARUP, and Laboratory Corporation of America. The PVAHCS requires specialized laboratory testing on an as needed basis and 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:

In order to remove barriers limiting sources to fulfill laboratory services. The PVHCS would need to conduct market research prior to the following next fiscal year to determine the financial impact and the amount of time it would take to add another contractor's system to VistA so that the two systems interface.

(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.)*

[Redacted signature area]

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JAN R. FRYE

Deputy Assistant Secretary
Office of Acquisition and Logistics
Senior Procurement Executive (SPE)

DATE

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