

**DEPARTMENT OF VETERANS AFFAIRS**

**Justification and Approval (J&A)  
For  
Other Than Full and Open Competition (>\$150K)**

Acquisition Plan Action ID: VA256-17-AP-7795

1. **Contracting Activity:** Department of Veterans Affairs, Network Contracting Office (NCO) 16 intends to enter into a sole source agreement on behalf of VISN 16, Veterans Health Care System of the Ozarks located in Fayetteville, AR for the purchase of replacement scopes.

Purchase Request Number: 564-17-3-082-0657.

2. **Nature and/or Description of the Action Being Processed:** The VA intends to enter into a sole source, firm-fixed price, purchase order with Alliant Enterprises, LLC, dba, Alliant Healthcare Products, for the purchase of replacement scopes and related equipment.

**FAR13.5 Simplified Procedures for Certain Commercial Items:** This procurement is for scopes and related equipment currently found in the commercial park place. In accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

However, it is the intent of the VA to conduct this acquisition under the authority of FAR 6.302-5, Authorized or required by statute.

3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The Veterans Healthcare System of the Ozarks (VHSO) has a requirement for new scopes and related equipment to perform a variety of procedures on an increased number of patients. The current scopes have reached end of life and are beyond repair. The new scopes must be compatible with the current Sterrad NX. Currently Olympus manufacturers equipment compatible with these units. The Contracting Office has received confirmation from Olympus that they have one (1) SDVOSB authorized distributor, Alliant Healthcare. The replacement of these scopes is essential to patient care; failure to provide replacement equipment places the patients at increased risk, lack of access, and delayed care.

Veterans Health Care System of the Ozarks Operating Room Endoscopy towers, cameras and scopes are aging and have required multiple repairs in the past. The endoscope/camera repairs have resulted in difficulties scheduling surgical cases.

All cameras and endoscopes contained within the facility need to be Sterrad NX compatible.

This acquisition has an estimated value of [REDACTED] with delivery terms of [REDACTED] depending on item availability at time of award.

**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;

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

Veterans Health Care System of the Ozarks (VHSO) Operating Room Endoscopy towers, cameras and scopes are aging and have required multiple repairs in the past. The endoscope/camera repairs have resulted in difficulties scheduling surgical cases. The replacement of these scopes and cameras is essential to patient care. The procurement of this equipment will also allow the facility to update their current system and will provide redundancy when older equipment needs repair.

The equipment procured must be compatible with the facility's Olympus systems currently in use. All cameras and endoscopes contained within the facility need to be Sterrad NX compatible. Only replacement equipment manufactured by Olympus will be compatible with the current equipment, and compatibility and correct function of the equipment is critical to patient safety. VHSO has researched several manufacturers and found Pentax and ACMI do not offer narrowband imaging capabilities. Research revealed Olympus is the only vendor that offers the combination of narrowband imaging, high definition video, and small distal tip diameters. Only Olympus video scopes will be compatible with the video processors, light sources, and endoscopic equipment currently in use at VHSO.

The system must have flexible video endoscopy equipment that is compatible with existing platform (video processors, light sources, and Olympus endoscopic equipment). Market research has shown that video processors and light sources must be from the same manufacturer as this equipment if proprietary and are not interchangeable.

The addition of a separate and incompatible platform will result in redundant equipment that cannot be cross utilized due to proprietary terminals and connections. Additionally, the non-compatible duplicate equipment can pose storage challenges in proper storage for the two equipment systems.

Research revealed that only Olympus makes equipment versatile enough to allow for interchangeability within multiple disciplines of medicine. Olympus makes equipment versatile enough to be used in the Operating Room by Orthopedics, ENT, Gynecology and General Surgery.

Research revealed that Pentax and ACMI do not yet offer narrowband imaging capabilities. In addition, only Olympus video scopes will be compatible with the video processors, light sources, and endoscopic equipment currently owned by Veterans Health Care System of the Ozarks.

Web site market research has indicated video processors and light sources must be from the same manufacturer as the scope vendor. These systems are proprietary and not interchangeable across manufacturers. Additional research has revealed Olympus is the only vendor that offers the combination of narrowband imaging, high definition video, and small distal tip diameters.

Olympus has indicated that they have one (1) SDVOSB authorized distributor, Alliant Healthcare, which can provide the required replacement scopes. Replacement of these scopes is essential to patient care; failure to provide replacement equipment places the patient at increased risk, lack of access, and delayed care.

Alliant Healthcare was contacted and they confirmed they are the only SDVOSB authorized distributor equipment on behalf of Olympus. A search of VetBiz.gov revealed that the contractor is a registered SDVOSB under the NAICS code being applied. Being the only VetBiz.gov registered supplier of the required products, this action is authorized by statute; P.L. 109-461. This Justification and Approval is executed under the authority of FAR 6.302-5.

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

A search on VetBiz for NAICS 339112 and keywords Olympus Scope eleven (11) registered SDVOSB/VOSB matches. A search using NAICS 339113 and keywords Olympus Scope returned fourteen (14) matches.

**Sources Sought Synopsis.** Two SDVOSB entities, Acuity Contracting Group and Alliant Healthcare, responded to the synopsis. Acuity Contracting Group indicated they are an authorized distributor for Case Medical and supplied the VA in a few locations with sterilization trays and containers like these from Case Medical. Acuity Contracting Group indicates they are capable of providing an equivalent/comparable product on the open market. Alliant Health Care responded that they are the exclusive SDVOSB provider of Olympus products to the federal government and can provide an exact match of the required equipment through the open market. Their response also indicated that the class of products specified on the referenced RFI, the SBA has previously determined that there are no small business manufacturers or processors available to participate in the federal

market for this class of products. Consequently, the SBA previously issued a Class Waiver for NAICS Code 334510 Electromedical and Electrotherapeutic Apparatus Manufacturing, FSC 6525, NAICS Code Descriptor as of 1 Oct 2012, and posted on the Federal Register on December 20, 2007. Therefore, Alliant believes the appropriate NAICS code that should be used for the desired procurement is 334510.

7. **Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:** The CO anticipates the cost to the Government to be fair and reasonable based upon pricing offered to industry.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** A search on the VIP Portal using NAICS Code 339112 returned seven (7) vendors matching that criteria. A search on the VIP Portal using NAICS Code 339113 returned ten (10) vendors matching that criteria. A search on the NAC, Medical/Surgical site return one (21) large business, OLYMPUS with a NAC Contract, V797P-2065D, under FSS Category 65 II A.

A Sources Sought VA256-17-Q-0934 was published to FBO on 7 July 2017.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** The Government anticipates trade-in of current equipment with a value of
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:**
  - 1) Alliant Healthcare Products  
333 Bridge Street NE,  
Grand Rapids, MI 49504
  - 2) Acuity Contracting Group  
14215 Proton Rd Ste 400  
Dallas, TX 75244
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:** At this time, the Government has no recourse to overcome the barriers to competition. The manufacturer holds all rights to the sale of this equipment and to the use of other distributors.
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.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Date September 7, 2017

**13. Approvals in accordance with the VHAPM Part 806.3 OFOC SOP:**

- 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.

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Date \_\_\_\_\_

- b. **One Level Above the Contracting Officer (Required over \$150K but not exceeding \$700K)**: I certify the justification meets requirements for other than full and open competition.

\_\_\_\_\_  
[REDACTED]  
[REDACTED]  
[REDACTED]

Date \_\_\_\_\_