

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA248-17-AP-9938

- 1. Contracting Activity:** Department of Veterans Affairs, Department of Veterans Affairs, VISN 08, Network Contracting Office 8, Tampa, FL 33637. Funding for this request is provided under 2237 Purchase Request Number: 673-17-3-076-0048.
- 2. Nature and/or Description of the Action Being Processed:** James A. Haley Veterans Medical Center (JAHVAMC) is requesting Other Than Full and Open Competition to award a new contract for Pharmacy Management Software (Pharmogistics) rental. The proposed action is for a twelve (12) month firm-fixed price (FFP) effort with an additional four (12) month option periods.
- 3. Description of Supplies/Services Required to Meet the Agency's Needs:** The proposed action is to provide an inventory management system to monitor medication, verification, handling, and dispensing at JAHVAMC and Clinics. The requirement is for rental of the Pyxis Pharmogistics ES platform of software and hardware solutions to streamline and standardize workflow, decrease medication errors, expired medication waste, and increase visibility into the capital value of inventory. This procurement supports established Pharmacy's drug accountability and inventory management control programs and protocols assisting the Controlled Substances Inspection Program (CSIP) to ensure an effective control of inventory. The scope of the contract shall include the following:

Description	Price	Terms	Totals
Equipment Purchase	\$42,610.00	1 Time	\$42,610.00
Equipment Support	\$289.00	60 Months	\$17,340.00
Software Rental	\$5,193.00	60 Months	\$311,580.00
Contract Total			\$371,530.00

The desired delivery date is September 1, 2017. The estimated total value is \$371,530.00.

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.** The proposed source is Carefusion Solutions, LLC, 3750 Torrey View Court, San Diego, CA 92130-0622. They have prior experience with the JHVAMC in automated medication management with the unique ability to integrate data from our existing Pyxis units that can help protect medication types at all points of care, and deliver the information caregivers need to improve pharmaceutical operations. CareFusion technologies (existence of limited rights in data, patent rights) are proven technology with evidence that helps clinicians dispense medications in a safe manner, prevent medication errors, increase the predictability of medication

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availability and reduce inefficiencies in the medication use process (from the pharmacy to the patient's bedside). Pharmogistics software is the brand peculiar only to the manufacturer Carefusion and deemed to be available only as the next generation follow-on of highly specialized services for Pyxis equipment. Accordingly, Carefusion is the only firm capable of providing the supplies and services described in Section III above without the Veteran's Health Administration experiencing unacceptable delays in fulfilling its requirements.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** This requirement does not provide for full and open competition regardless of the number of sources solicited. Inadequate competition is available for this requirement due to proprietary software embedded in existing equipment. Carefusion has written a statement as the exclusive manufacturer and provider of Pyxis products/services and the sole company capable of performing installation and maintenance. This requirement will be synopsisized with the intent to sole source. Firm within the marketplace are encourage to submit capability information for future Agency needs.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The Contracting Officer anticipates the cost will be fair and reasonable by using a comparison with similar items in the software industry and historical purchases. Historical prices for similar rental services were found:

PIID	Description of contract	Dollars obligated
DJBP0418PB140019	Lease And Maintenance Of Pyxis Equipment	\$80,000
DJBP0121PB150016	Monthly Rental And Service Support	\$40,194

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. Carefusion was contacted to provide a list of any distributors for Pyxis products and services. The inquiry resulted in no additional procurement sources, other then Carefusion, capable of satisfying the agency's requirement. Commercial items are available that will satisfy the agency's needs.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** This system will build-on/enhance efficiency to the existing Pyxis med-station automatic medication dispensing systems.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** Carefusion, 3750 Torrey View Court, San Diego, CA 92130.
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:** The

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Agency shall review any/other best practices to consider how we might overcome barriers to compete for future Pharmaceutical software products. The use of a Request for Information (RFI) or Sources Sought notices may address an opportunity for other than a non-competitive acquisition.