

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA261-17-AP-7537

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: ARxIUM Inc.

Manufacturer/Contractor POC & phone number: Carrie Mainella (

Mfr./Contractor Address: 1400 Busch Pkwy, Buffalo Grove, IL 60089-4541

Dealer/Rep address/phone number: Unknown

☒ 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) 21
3375 Koapaka Street, Suite F250
Honolulu, HI 96819
VISN:21

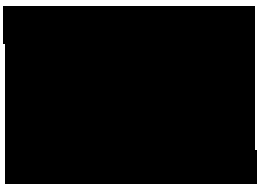
(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

VA Pacific Islands Healthcare System (VAPIHCS) is seeking approval for soliciting to the Original Equipment Manufacture (OEM), ARxIUM Inc. as a limited sole source for issuing a Task Order for Full Service maintenance services off their awarded VA-Federal Supply Schedule (FSS) [V797P-4251B] for a 12-month Base Year period plus 4 one year option period with an effective date of 1 Oct 2017.

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

The VA Pacific Islands Healthcare System (VAPIHCS) minimum government requirement is to have full maintenance service for their ARxIUM Inc. manufactured automated pharmacy equipment that is owned by the VA and consists of the OPTIFILL II [Ser. No. 09.B00046], and FastPak Elite [Ser. No. 67A.N10] units. The full service maintenance comprises 2 EA on-site preventative maintenance visits per year, 24/7 phone support, license renewal, and service repair for both units by ARxIUM Inc. certified service technicians. In addition, service support shall provide OEM hardware parts replacement, remote diagnostics, software upgrades, and service requests as needed.

(b) ESTIMATED DOLLAR VALUE:



(c) Period of Performance (POP): Base YR: 1 Oct 2017 to 30 Sep 2018
OY YR 1: 1 Oct 2018 to 30 Sep 2019
OY YR 2: 1 Oct 2019 to 30 Sep 2020
OY YR 3: 1 Oct 2020 to 30 Sep 2021
OY YR 4: 1 Oct 2021 to 30 Sep 2022

(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.

☒ 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 only source for providing the expert maintenance services for this equipment is the OEM, who maintains the equipment in accordance with the OEM specifications, and only provides OEM new or factory refurbished replacement parts for replacement or repair. The software that enables the equipment to operate and function can only be supported by ARxIUM Inc.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is: The systems and software required to operate this equipment are proprietary to ARxIUM Inc. and can only be provided from the OEM. It is not possible for a third party to provide software maintenance and support. The OEM issues a usage license that requires annual renewals. This license renewal is included in the full maintenance support service package.

☒ These are "direct replacements" parts/components for existing equipment. All new or refurbished replacement parts for repairs and maintenance come directly from the manufacturer ARxIUM Inc. and are required for maintaining the manufacturer's extended warranty that comes with the full maintenance service.

☒ 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. Full service maintenance and repairs can only be performed by ARxIUM Inc. service technicians, who have been trained and certified to maintain this equipment in accordance with the manufacturer's specifications. The equipment is operated to dispense the exact prescription as prescribed by the patients attending physician and processed by pharmacy personnel. Any malfunction would require diagnostic tests to identify the necessary repairs that would be required to enable the equipment to function and operate as required.

☐ 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.

N/A

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

N/A

(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:

With the purchase of the ARxIUM Inc. equipment, the OPTIFILL II and FASTPAK ELITE have provided the VAPIHCS with the most advanced, efficient, and manageable prescription technology for our automated pharmacy dispensing needs. The dispensary efficiencies realized after automation has resulted in overall reduction in the hours taken to complete the dispensing tasks, as well as the overall reduction in dispensing wait times. The turnaround time from the time the prescription is input to dispensing has effectively reduced the overall operational costs in running the pharmacy.

(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 minimized due to the limited source nature of the requirement. The Veterans Information Page listing all verified Small Disadvantaged Veteran Owned Small Business and Veteran Owned Small Business sources was screened as mandated by policy, and the results were negative for identifying any affiliated partners of ARxIUM Inc. for providing these services.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

It is critical that the ARxIUM Inc. Optifill II and FastPak Elite automated pharmacy equipment be properly maintained for the operation of the pharmacy. Any breakdown of the equipment would result in a critical disruption in the operation of the pharmacy, along with increased wait times resulting in major disruptions in patient care. ARxIUM Inc., has the certified and trained technicians to respond to service requests for providing the repairs necessary in returning the equipment to full operation.

(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:

There are no actions that the agency can take to remove the restrictions. The restrictions are necessary in order to be compliant with the terms of the manufactures warranty.

(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.)*

SIGNATURE

Lois K. Bac

NAME

VA Pacific Island Health Care System

FACILITY

11 August 2017

DATE

Administrative Officer

TITLE

Pharmacy Service (119)

SERVICE LINE/SECTION

(10) 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'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

[Redacted Signature]

CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

DATE

Beverly Quevedo, Contracting Officer

NAME AND TITLE

NCO 21

FACILITY

b. Director of Contracting/DESIGNEE: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

[Redacted Signature]

SIGNATURE

DATE

Beverly Quevedo

NAME

NCO 21 Branch Chief, Services II