

# DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA244-17-AP-8435

**1. Contracting Activity:** Department of Veterans Affairs, VISN 4, Michael J. Crescenz VA Medical Center, Pathology and Laboratory Medicine Service is proposing this justification for other than full and open competition for the purchase request 642-18-1-010-0007.

**2. Nature and/or Description of the Action Being Processed:** Pathology and Laboratory Medicine is in need of testing equipment for general chemistry, immunoassay testing, and hematology that can be connected to the current VA owned Automation line from Beckman Coulter. The existing Automation line was purchased during the Lab Renovation project. The renovations and installation of the existing line took over one year and the automation equipment cost \$1.2 million- the life expectancy of this equipment is 7-9 years and it has been live for 3 ½ years. To replace the automation line, at this point would be very inefficient. It would force us to revert to manual operations causing delays in patient testing while a new automation line with new equipment are constructed, installed and validated. This justification is to award a new contract and stay with Beckman Coulter and only upgrade the existing equipment to connect to the automation line.

- 1. FAR13.5 Simplified Procedures for Certain Commercial Items:** This procurement is for chemistry and hematology test under a cost per patient reportable contract to include testing equipment, service on the equipment for the life of the contract, reagents to perform the testing, calibrators and controls, consumables/ disposable items, parts and accessories required to maintain a fully operational system needed to report a test result.

**3. Description of Supplies/Services Required to Meet the Agency's Needs:** Pathology and Laboratory Medicine is in need of testing equipment to perform Chemistry testing, Immunoassay Testing and Hematology testing that is compatible with the existing automation tract. With our annual volume and required tests, it is estimated to cost \$1,069,971.42 annually. The performance period would start 10/1/2017 through 9/30/2018 with 4 option year renewals using a cost per patient reportable contract to include testing equipment, service on the equipment for the life of the contract, reagents to perform the testing, calibrators and controls, consumables/ disposable items, parts and accessories required to maintain a fully operational system to report a test result.

**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;

**FAR13.5 Simplified Procedures for Certain Commercial Items: 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 (applicability of authority):**

Pathology and Laboratory Medicine needs of equipment to connect to their existing VA owned Beckman Coulter Automation track for chemistry, immunoassay and hematology. The existing VA owned Beckman Coulter Automation track, which is proprietary , was acquired as part of a major

laboratory renovation project where the entire Core Laboratory was renovated and the new automation track installed- this took over one year just for this phase. The Beckman Automation track has been live for 3 ½ years with life expectancy expected to last approximately 7-9 years. The existing equipment can easily be replaced with minimal interruption to patient care testing.

If we needed to replace the existing automation track with a new vendor and new equipment, it could take over one year to have the automation track built, possible renovations done and new equipment installed and validated. This would definitely interrupt patient care services and threaten the health and well-being of veteran patients.

This testing equipment is highly specialized with connections already in place compatible to existing Beckman Coulter Automation track. The conversion would cause unacceptable delays in patient testing and substantial duplication of costs that could never be recovered through competition.

Accordingly, Beckman Coulter is the only firm capable of providing the equipment without the VA experiencing substantial duplication of costs that could not be recovered through competition.

**6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** None- as Philadelphia owns the existing Beckman Coulter Automation track which is used in conjunction with testing equipment to work cohesively with one another to perform patient testing.

**7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The anticipated cost will be considered fair and reasonable and provide the basis for this determination. Beckman Coulter will keep the costs at the same price as the previous contract with no increase to the government. The annual cost would be \$1,069,971.42 and over 5 years, \$5,349,857.10.

**8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** With the existing Automation track, we did explore the option of putting other vendor's equipment to the existing track but there are no other current vendors that can immediately connect all of our equipment to the track. Some can connect immunoassay testing but engineering changes will need to be made and this will further delay the needed upgrade to the current equipment which is 7 years old and starting to have problems related to the age of the equipment.

**9. Any Other Facts Supporting the Use of Other than Full and Open Competition:** With the purchase of the Beckman Coulter automation track, compatible equipment must be used and currently only there equipment can be plugged right in without any engineering changes which would delay the upgrade to our existing equipment.

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

None

**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:**

Once the existing automation line reaches its economic life expectancy, a full and open competition is possible since the automation line would need to be replaced. Until then, it makes more business

sense to include the automation line in the service contract and this places maintenance and performance burden on the vendor, not the government. This argument is moot in this case since the VA owns this automation track.

**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.



JOYCE A.  
PORTER 147576

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Joy Porter  
Ancillary Testing Coordinator

07/24/2017  
Date

**13. Approvals in accordance with the VHAPM, Volume 6, Chapter VI: 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.

Frederick  
Hilliard 479764

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Name  
Frederick C. Hilliard  
Contracting Officer

07/31/2017

Date

- b. **Director of Contracting /Designee (Required over\$150K but not exceeding \$700K):** I certify the justification meets requirements for other than full and open competition.

Benjamin P.  
Iachini 644827

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Benjamin P. Iachini  
NCO4, Director of Contracting

Date

- c. **VHA SAO HCA Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval (if over \$13.5 million) or approve (\$700K to 13.5 million) for other than full and open competition.

JOSEPH MALETTA  
1347841

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Joseph Maletta  
SAO East, Director

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Date