

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA256-18-AP-3171

- 1. Contracting Activity:** Department of Veterans Affairs, NCO 16, Division II, Supply Team C, 667 SHR Overton Brooks VA Medical Center, 2237# 667-18-3-049-0128
- 2. Description of Action:** This acquisition is conducted under the authority of the Multiple-Award Schedule Program ([41 U.S.C. 251](#) and [40 U.S.C. 501](#)). This procurement will result in a Brand Name Limited Source New Delivery Order with Options for a 36-month Endoscopy Equipment Lease as a Follow-on to Contract Order V797P2065D VA256-15-F-0612.

Order against: ☒ FSS Contract Number: V797P-2065D

Name of Proposed Contractor: OLYMPUS AMERICA INC.

Street Address: 3500 CORPORATE PARKWAY

City, State, Zip: CENTER VALLEY, PA 18034-0610

Phone: 484-896-5436

- 3. Description of Supplies or Services:** The proposed action is for the required leasing of Olympus Endoscopy equipment to comply with Standardization in reprocessing to one manufacturer and ensure that outdated technology is replaced with the most recent generation. The Period of Performance is 36 months to begin 1 May 2018, therefore the Base Period will be the remaining 5 months of FY18, with two 1-Year Option Periods followed by a third and final 7-Month Option Period.
Base Period 1 May 2018 – 30 Sep 2018:
Option 1, 1 Oct 2018 – 30 Sep 2019:
Option 2, 1 Oct 2019 – 30 Sep 2020:
Option 3, 1 Oct 2020 – 30 Apr 2021:

The estimated value of the proposed action is

An integrated product team has determined that national standardization creates best value, enhances the safety and quality of patient care, and results in reduced variability in the number of different processes required for endoscope setup, use, and reprocessing, thus reducing the potential

for negative patient outcomes and errors. The quantity and types of equipment to be leased are contained in the attached SOW.

(4) IDENTIFY THE AUTHORITY AND SUPPORTING RATIONALE (see 8.405-6(a)(1)(i)(A), (B), and (C) or 8.405-6(b)), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

- ☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.
- ☒ Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized;
- ☐ In the interest of economy and efficiency, 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.
- ☒ Items peculiar to one manufacturer:
- ☐ 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.)
- ☒ 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.

Overton Brooks VA Medical Center has been using the Olympus Endoscopy Equipment for several years, IAW the DUSHOM Standardization Memo. This memo directs continued use of equipment from the standardized manufacturer.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE

DETERMINATION: This procurement is consistent with the Integrated Product Team, which was tasked with development of requirements for the national standardization of scopes throughout VHA to facilitate device standardization in order to reduce variability in endoscope processing and used. The repair, maintenance and equipment upgrades will be easier to maintain with just one vendor. This will

help reduce the variety of instruments and thus the number of SOP's for set-up and re-processing of medical equipment. This price listed previously is based on the established FSS contract price which is compared and monitored by the NAC and VAOIG against Olympus' tracking customer pricing strategy. Tracking customer pricing ratios have been determined by the NAC and VAOIG to be considered fair and reasonable pricing.

(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 restricted to FSS items. Research confirmed the Olympus lease to be in compliance with the National Standardization Mandate. The required items are listed under the 65II schedule. It has been proven in VISN 16 SPS discussions that several scopes are not approved to be used in sterilizing and disinfecting equipment so additional sources should not be considered without also considering the need to change sterilizing and disinfecting equipment.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION: The continuity and safety provided to the staff by standardization will benefit the Veteran population.

(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: A Sources Sought – Intent to Sole Source Notice will be posted to FBO for public viewing.

(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	DATE
CHRITOPHER M. MOORE	Technical Director
Overton Brooks VAMC	Respiratory Therapy

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

VHAPM Part 808.405-6 Limiting Sources
Attachment 2: Request for Limited Sources Justification Format >\$150K

CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

DATE

PAUL FILHIOL/Contracting Officer

NCO 16 Div II Supply Team C SHR 667

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.

SIGNATURE

DATE

RENATA OTT
NCO 16 DIV II Supply Team C Chief

HIGHER LEVEL APPROVAL (Required *for orders over \$700,000*):

c. VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$68 million): I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

RANDY L. HAYS
Deputy Director, SAO Central
VHA Head of Contracting Activity (HCA)

DATE