

LIMITED SOURCES JUSTIFICATION

ORDER >\$150,000

FAR PART 8.405-6

Acquisition Plan Action ID: VA256-18-AP-4133

- 1. Contracting Activity:** Department of Veterans Affairs, VISN 16, Division II Supply Team C SHR 667, Veterans Healthcare System of the Ozarks, Fayetteville VA Medical Center 2237# 564-18-2-1099-0035
- 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](#)). Firm Fixed Price Delivery Order issued under Federal Supply Schedule V797D-30111 under Sole Source Brand Name Justification and Approval to Omnicell, Inc.

Order against: ☒ FSS Contract Number: V797D-30111
Name of Proposed Contractor: OMNICELL, INC.
Street Address: 1201 CHARLESTON ROAD
City, State, Zip: MOUNTAIN VIEW, CA 94043-1337
Phone: 951-653-2081

3. Description of Supplies or Services:

The estimated value of the proposed action is Over 150K

Automated Drug Dispensing Cabinets (ADC) which will allow controlled storage and dispensing of medications within our medical center. We currently utilize Omnicell's products throughout our facility. It supports controlled drug distribution and safe storage in compliance with Joint Commission and OIG standards. The purchase of additional cabinets will support medication management in the Joplin, MO and Springfield, MO CBOCs.

(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. (CHECK ALL THAT APPLY AND COMPLETE)

☐ 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;

Omnicell is currently used within the VHSO for all other automated drug dispensing cabinets. We currently utilize this manufacturer's product throughout our facility. It supports controlled drug distribution and safe storage in compliance with Joint Commission and OIG standards. The purchase of an additional cabinets will support medication management in the Joplin, MO and Springfield, MO CBOCs. The purchased cabinets must seamlessly fully integrate and interface with existing Omnicell equipment which includes the main Omnicell server that controls all existing medication cabinets.

☐ 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.

(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: The Omnicell units are on VA Contract which offers the best pricing available. Switching to another unit would require a significant uneconomical duplicate investment in computer hardware, software, and technician training. The VHSO has invested over \$2M in Omnicell equipment over the past 10 years and it is the logical choice for CBOCs supported by the main Pharmacy at Fayetteville.

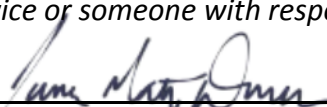
(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

Market Research revealed that only Omnicell has software that will seamlessly interface with VistA patient data. This research was conducted by contacting Omnicell Support and making inquiry. At this time there are no other vendors that can supply a different branded product that will interface and connect as required.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION: Currently there are other supplies of other proprietary products for medication dispensing (e.g. Pyxis), however the cost to replace all existing equipment and server would far exceed the cost of this upgrade. Average cost of cabinet is \$50,000. VHSO supports 45 cabinets currently with a server replacement cost of \$50,000. The interface cost would be unknown with procurement of all replacement equipment from another supplier. Estimated cost to the government to replace existing systems would be over 2 million dollars not including cost difference between existing cabinets and new supplier cabinets.

(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: Only if another firm produces a breakthrough in technology is competition likely to become present in the VAs procurement of automated medication dispensing and storage equipment.

(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.)*

		02-12-2018
SIGNATURE		DATE
JAMES MATT DUNCAN	Associate Chief	Pharmacy Service
NAME	TITLE	SERVICE LINE/SECTION
VHSO VA Medical Center Fayetteville, AR		
FACILITY		

(10) APPROVALS IN ACCORDANCE WITH THE [VHAPM Part 806.3 OFOC SOP](#): *This part is 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.

CONTRACTING OFFICER

DATE

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

NCO 16 Division 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.

RENATA OTT
BRANCH CHIEF
NCO 16 Div II Supply Team C

DATE

Director, Network Contracting Office:

AARON VILLALPANDO
Director, Network Contracting Office 16

DATE

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.

NAME
VHA Head of Contracting Activity (HCA)

DATE

d. VHA Senior Procurement Executive Approval (over \$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 other than full and open competition.

JAN R. FRYE
Deputy Assistant Secretary
Office of Acquisition and Logistics
Senior Procurement Executive (SPE)

DATE