Market Research Report

Note: *This template is not required to be uploaded into eCMS for actions under $1M. However,* ***COs must ensure supporting documentation is uploaded to support a decision not to set-aside an action for SDVOSB/VOSB.***

Date:	November 3, 2017
Purchase Request/2237 Number:	541-18-1-775-0001
Description of requirement:	Cepheid Reagents Cleveland
Period of Performance:	December 22, 2017-December 21, 2022
Estimated Value:	$2,183,231.50
Product Service Code (PSC) - Federal Supply Codes (FSC):	**6550**
NAICS Code:	**334516**
Size Standard for NAICS:	**1,000**

Market Research Findings:

Per PPM 2016-05 Implementation of the Veterans First Contracting Program as a Result of the U.S. Supreme Court Decision: 38 U.S.C. § 8127 is mandatory*, not discretionary and its text requires the Department to* ***apply the Rule of Two to all contracting determinations; The Rule of Two contracting procedures in 38 U.S.C. § 8127(d) are not limited*** *to those contracts necessary to fulfill the Secretary's goals under § 8127(a); and* ***38 U.S.C. § 8127(d) applies to orders placed against the Federal Supply Schedules (FSS)****.*

Supplies (Mandatory IAW FAR 8.002):	**Results from Market Research:**
(1) VA inventories including the VA supply stock program (41 CFR 101-26.704) and VA excess:	Not Available
(2) Excess from other agencies (FAR 8.002):	Not Available
(3) *Federal Prison Industries (FPI) (See VAAR 808.603 Purchase Priorities) ***VA COs may purchase supplies and services produced or provided by FPI from eligible service disabled veteran-owned small businesses and veteran-owned small businesses**, in accordance with procedures set forth in subpart 819.70, without seeking a waiver from FPI, in accordance with 38 U.S.C. 8128, Small business concerns owned and controlled by veterans: Contracting priority	Not Available
(4) Supplies from Ability One - (VA AbilityOne Procurement List for Supplies/Services) (FAR 8.002): *However,* VA COs shall, **prior to adding any new** VA requirements to the Procurement List, conduct market research, apply the *VA Rule of Two* to consider Vendor Information Pages (VIP) verified service-disabled veteran-owned small businesses (SDVOSBs) and veteran-owned small businesses (VOSBs) as required in 38 U.S.C. 8127 and implemented in subpart 819.70.	Not Available
(5) Wholesale supply sources such as stock programs of the GSA (see 41 CFR 101-26.3), the Defense Logistics Agency (see 41 CFR 101-26.6), the Department of Veterans Affairs (see 41 CFR 101-26.704 (VA Subsistence Items), and military inventory control points.	Not Available

(6) Prime Vendor and National Contracts/BPAs: Reference **CPL&O Memo dated 23Aug16, Subj: Mandatory Use of Prime Vendor Distribution Contracts and National Contracts):** It is VHA's policy that any item(s) that is/are available in prime vendor formularies/catalogs, it is mandatory in VHA that any such item(s) will be "ordered"/acquired through the prime vendor. It is also VHA's policy that items available on national contracts/BPAs that are not available via prime vendor distribution networks will **be acquired by placing appropriate orders** against these national contracts. Such orders will only be placed by properly warranted COs or properly trained Ordering Officers appointed by the appropriate CO. **In cases where an Ordering Officer has been appointed, orders placed are not competitive contracting actions subject to the requirements of 38 U.S.C. 8127**. In cases where OO appointments are NOT available, the appropriate **CO must make a determination as to whether the Rule of Two applies** (see the **Decision Tree Tool** to assist with the determination).	Not Available
Services (Mandatory IAW FAR 8.002):	**Results from Market Research:**
(1) Services that are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (see subpart 8.7). ***Note:*** VA COs shall, **prior to adding any new** VA requirements to the Procurement List, conduct market research, apply the *VA Rule of Two* to consider VIP verified SDVOSBs) and VOSBs as required in 38 U.S.C. 8127 and implemented in subpart 819.70.	Not Available
(2) Unusual and compelling urgency. The contracting officer may use a source lower in priority than as specified in 808.002-70 when the need for supplies or services is of an unusual and compelling urgency (see FAR Subpart 6.302-2 and FAR Subpart 8.405-6).	Not Available
Use of Other Mandatory Sources (FAR 8.003):	**Results from Market Research:**
Agencies shall satisfy requirements for the following supplies or services from or through specified sources, as applicable: (a) Public utility services (see part 41). (b) Printing and related supplies (see subpart 8.8). (c) Leased motor vehicles (see subpart 8.11). (d) Strategic and critical materials (*e.g.*, metals and ores) from inventories exceeding Defense National Stockpile requirements (detailed information is available from the DLA Strategic Materials, 8725 John J. Kingman Rd., Suite 3229, Fort Belvoir, VA 22060-6223. (e) Helium (see subpart 8.5 -- Acquisition of Helium).	Not Available
Mandatory Sources for VA Ref. 38 U.S.C. 8127 and 8128:	**Results from Market Research:**
Search the Vendor Information Pages (VIP) database at https://www.vip.vetbiz.gov/ and document their findings to ensure	Does the CO have a reasonable expectation that **two or more**

compliance with 38 U.S.C. 8127's "Rule of Two." **VA must set aside procurements for VOSBs when market research determines that two or more VOSBs are able to meet the procurement requirements at a fair and reasonable price that offers the best value to the United States. NOTE: A determination of price fair and reasonableness does not have to be done during market research phase BUT is required prior to contract award.** **NOTE: In the paragraph above, "VOSBs" includes SDVOSBs. If market research reveals there are one SDVOSB and one VOSB, the action should be set aside for VOSB because a SDVOSB is also a VOSB.** ✓ **Conduct Market Research by NAICS in VIP** ✓ **Verify Companies are VOSBs for Size Standard for NAICS in the System for Award Management (SAM) "Reps and Certs"** ✓ **Verify in VIP** ✓ **SDVOSB or VOSB set-aside is subject to the Limitations on Subcontracting clauses—VAAR 852.219-10. Any SDVOSB or VOSB that proposes to furnish an end product it did not manufacture (a "nonmanufacturer") must meet the requirements in FAR 19.102(f) to receive a benefit under the Veterans First Contracting Program.**	**verified SDVOSBs/VOSBs in VIP** is capable of providing the item will submit offers, and that the award can be made at a **fair and reasonable price** that offers the best value to the United States? ☐ **Yes**, action can be set-aside—two or more eligible SDVOSB/VOSBs can provide item(s) at reasonable price ☒ **No**, there are NOT two or more eligible VOSBs that can provide the items. COs should attach supporting documentation (excel spreadsheet with VIP search results or screen shots with search results) under (P02)
808.004-70 Use of Non-Mandatory Sources by VA.	**Results from Market Research:**
(1) IDIQ Contracts awarded by VISN, Region, or Local VA Contracting Officers for FSC Groups 65 and 66. ✓ ***If two or more verified SDVOSBs/VOSBs in VIP is on the VISN/Regional/Local IDIQ contracts, use competitive set-aside procedures***	Not Available
(2) GSA FSS and Pre-Existing Contracts, including Interagency and Intra-agency Contracts. ✓ ***If two or more verified SDVOSBs/VOSBs in VIP is on the GSA FSS/Pre-Existing Contracts including IAs, use competitive set-aside procedures***	Not Available
(3) Open Market Purchases, including Educational and Non-Profit Institutions. ✓ ***If two or more verified SDVOSBs/VOSBs in VIP is on the open market, including educational/non-profit contracts, use competitive set-aside procedures***	Available

(4) Eligible Beneficiaries: 1) A CO may authorize an acquisition from the Veterans Canteen Service or a commercial source when a VA healthcare official (e.g., social worker, physician) determines that personal selection of shoes, clothing, and incidentals will result in a therapeutic benefit to an eligible beneficiary. 2) The CO must cite FPI, Inc., clearance No. 1206 in the purchase document for any purchase of dress shoes from the Veterans Canteen Service or a commercial source similar to FPI, Inc., Style No. 86-A.	Not Applicable
(5) Three contracts for desktops and laptops have been established as mandatory: a. NASA Solutions for Enterprise-Wide Procurement (SEWP) b. GSA IT Schedule 70 c. National Institutes of Health Information Technology Acquisition and Assessment Center Chief Information Officer – Commodities and Solutions (CIO-CS) ✓ ***If two or more verified SDVOSBs/VOSBs in VIP is on the SEWP, GSA IT Schedule 70 contracts or others in this category, use competitive set-aside procedures***	Not Applicable
Use of Other Sources (FAR 8.004)	**Results from Market Research:**
If an agency is unable to satisfy requirements for supplies and services from the mandatory sources listed in 8.002 and 8.003, **agencies are encouraged** to consider satisfying requirements from or through the non-mandatory sources listed in paragraph (a) of this section (not listed in any order of priority) before considering the non-mandatory source listed in paragraph (b) of this section. When satisfying requirements from non-mandatory sources, see 7.105(b) and part 19 regarding consideration of small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including 8(a) participants), and women-owned small business concerns (see VAAR 819.7004). VA COs must comply with **PPM 2016-05 Implementation of the Veterans First Contracting Program as a Result of the U.S. Supreme Court Decision.** (a)(1) Supplies. Federal Supply Schedules, Governmentwide acquisition contracts, multi-agency contracts, and any other procurement instruments intended for use by multiple agencies, including blanket purchase agreements (BPAs) under Federal Supply Schedule contracts (e.g., Federal Strategic Sourcing Initiative (FSSI) agreements accessible at http://www.gsa.gov/fssi (see also 5.601)). (2) Services. Agencies are encouraged to consider Federal Prison Industries, Inc., as well as the sources listed in paragraph (a)(1) of this section (see subpart 8.6). (b) Commercial sources (including educational and non-profit institutions) in the open market.	Not Available

✓ ***If two or more verified SDVOSBs/VOSBs in VIP is on any of the categories above, use competitive set-aside procedures***	

Customary Commercial Terms and Conditions:

1. Per FAR 10.002, market research is conducted to determine if commercial items or nondevelopmental items are available to meet the Government's needs or could be modified to meet the Government's needs.

Information specific to the item being acquired, including but not limited to:

a. Whether the Government's needs can be met by –

(1) Items of a type customarily available in the commercial marketplace:

The Cepheid reagents are available in the commercial marketplace.

b. Customary practices regarding customizing, modifying or tailoring of items to meet customer needs and associated costs:

Customary practices regarding customizing, modifying or tailoring of items to meet customer needs and associated will be used.

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c. Customary practices, including warranty, buyer financing, discounts, contract type considering the nature and risk associated with the requirement, etc., under which commercial sales of the products are made:

Customary practices, including warranty, buyer financing, discounts, contract type considering the nature and risk associated with the requirement, etc., under which commercial sales of the products are made will be used.

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d. The requirements of any laws and regulations unique to the item being acquired:

The requirements of any laws and regulations unique to the item being acquired will be used.

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e. The availability of items that contain recovered materials and items that are energy efficient:

N/A

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f. Results from VIP--are there two or more verified SDVOSB/VOSBs that are able to meet the procurement requirements?

There are not two or more verified SDVOSB/VOSBs that are able to meet the procurement requirements.

Summary of Market Research Results:

2. MARKET PRICE: $2,412,746.43

3. ACQUISITION HISTORY:

VA541P79344, awarded on 06/26/2017 in the amount of $3,180.00 for Microbiology Analyzer Kit.
VA541P79089, awarded on 06/16/2017 in the amount of $3.021.00 for Infectious Disease Testing Kit.
VA541P78793, awarded on 06/09/2017 in the amount of $3,180.00 for Microbiology Analyzer Kit.
VA541P78624, awarded on 06/05/2017 in the amount of $3,166.77 for Microbiology Analyzer Kit.
VA541P78622, awarded on 06/05/2017 in the amount of $3,054.83 for Infectious Disease Testing Kit.

4. OTHER PERTINENT INFORMATION:

A Sources Sought was posted on FBO from October 4, 2017 through October 18, 2017 with two responses. The responses were from two (2) Service Disabled Veteran Owned Small Business (SDVOSB); Orion Services, Inc., and Veterans Healthcare Supply Solutions (VHSS). Both Contractors do not have authorized distributor letters, and are not authorized by Cepheid to distribute to the VA. Cepheid does not have distributors for VA, at this time.

An Intent to Sole Source, 36C25018Q0060, was posted on FBO from October 20, 2017 through November 2, 2017 with no responses.

5. RECOMMENDATION:

- Contract Approach: Firm Fixed Price
- Level of Competition: OM/Base + 4 Intent to Sole Source

Program Office Point of Contact:

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Name: Gina P. Crank 209604 Digitally signed by Gina P. Crank 209604 Date: 2017.11.21 16:27:17 -05'00' **Date: 11/21/2017**

Gina P. Crank, Contracting Officer