

DEPARTMENT OF VETERANS AFFAIRS

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

Acquisition Plan Action ID: VA260-18-AP-0588

1. **Contracting Activity:** Department of Veterans Affairs, SAOWest, Network Contracting Office 20 (NCO-20), 5115 NE 82nd Avenue, Suite 102, Vancouver, Wa 98662.
2. **Nature and/or Description of the Action Being Processed:**
This is a new, firm-fixed price, base plus four option year contract for consumable optical lens making supplies for VISN 20 Optical Fabrication Laboratory's (OFL) Satisloh Ophthalmic equipment. There are over 60 consumable supplies needed for optical lens manufacturing. I have attached an excel spreadsheet which outlines the items needed.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:**
The VISN OFL needs lens making consumables (see attached spreadsheet) for their Satisloh optical manufacturing equipment. It is anticipated that the VISN OFL will manufacture and produce an estimated 50,000 to 150,000 pairs of ophthalmic eyewear per annum with an estimated average of 8,000 pairs per month. The OFL currently owns and operates a full Satisloh Digital Surfacing, Finishing, and Anti-Reflective Coatings Lab equipment. The quantities of supplies needed are estimates only (see attached spreadsheet), the actual quantities will be based upon the number of patients who are determined eligible by the VA to receive ophthalmic eyewear. The value of this procurement (including options): Base: \$436,647.08; OY1: \$445,380.02; OY2: \$454,287.62; OY3: 463,373.37; OY4: \$472,640.84; Total: \$2,272,328.93.
4. **Statutory Authority Permitting Other than Full and Open Competition:**
The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

(X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
() (2) Unusual and Compelling Urgency per FAR 6.302-2;
() (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
() (4) International Agreement per FAR 6.302-4
() (5) Authorized or Required by Statute FAR 6.302-5;
() (6) National Security per FAR 6.302-6;
() (7) Public Interest per FAR 6.302-7;

In accordance with FAR 13.5 Simplified Procedures for Certain Commercial Items and specifically FAR 13.501 Special Documentation Requirements, where acquisitions conducted under Simplified Acquisition Procedures are exempt from the requirements of FAR Part 6, but still require a justification using the format of FAR 6.303-2.

5. Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):

The VISN OFL has ownership of the following highly specialized Satisloh eyewear manufacturing equipment: two (2) ART Blockers SN(80090, 80095), two (2) VFT-Orbit Generators SN(26271, 26272), three (3) DUO-Flex Polishers SN(36093, 36094, 36095), one (1) ART De-blocker-A SN(6045), one (1) ART De-blocker-M SN(6609), one (1) MC-380-X SN(380331), one (1) ES-Curve edging system SN(1016), and two (2) ES-4 edging systems SN(20662, 20663). In order to support veteran eyewear production there are consumable items required to manufacture the eyewear. Satisloh has outlined that they are the only authorized provider for the consumables for use on their equipment. If another manufacturer's product is used, and it damages the equipment, Satisloh will not honor any warranty repairs. The OFL currently has preventive maintenance contracts with Satisloh to ensure the equipment is kept up and to maintain the warranty. Because of the specialized nature of this manufacturing process, Satisloh is deemed the only provider for the consumable items required to satisfy the Government's need.

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

Since the manufacturer's warranty would be void if another manufacturer's product is used and Satisloh does not have any SDVOSB/VOSB partners, no other sources were sought. Satisloh North America has provided a sole source/proprietary letter stating this information. All past purchases made for these supplies were sole sourced to the manufacturer.

7. Determination by the CO that the Anticipated Cost to the Government will be Fair and Reasonable:

Based on Comparison of Proposed Prices with Prices Found Reasonable on Previous Purchases (FAR 13.106-3(a)(2)(ii)), the pricing provided by Satisloh is in line with previous purchases listed below:

VA260-17-P-2511(emergency) – Awarded: 09/15/2017 for \$135,064.08 to Satisloh North America for the same consumables but less quantities.

Most purchases for these items were made by purchase card and this contract is to put a long-term contract vehicle in place for future ordering.

The vendor's pricing for OY1/2/3/4 are offered at a 2% increase per year, which is a reasonable increase for future prices in comparison to the anticipated inflations rates listed on the Bureau of Labor Statistics rates of between 2.1 and 2.5% over the same time frame. Option year pricing will be validated before exercising each option to ensure price reasonableness.

8. Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:

IAW FAR Part 10, Market research was conducted to the extent to validate the information in section 6. In addition, a synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties, was posted to FBO. This closed on Jan 31, 2018 with no other vendors providing the supplies required to meet the government's need.

VHAPM Part 806.3 Other Than Full and Open Competition (OFOC) SOP
Attachment 2: Request for Sole Source Justification Format >\$150K

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:**
None.

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:**
Satislosh equipment was competitively purchased, once purchased the Satislosh consumable supplies are required until the equipment is replaced. The current equipment is in year 1 of a 5 year Preventive maintenance contract. When the eyewear manufacturing equipment replacement is considered, the Government will allow all eligible to compete when replacement is procured.

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.

Daina M Sites
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1489065
Date: 2018.02.21 15:49:12 -07'00'

02/21/2018

Daina Sites
Chief, VISN-20 Optical Fabrication Lab

Date

13. **Approvals in accordance with the VHAPM Part 806.3 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.

Robert W.
Hamilton 902204

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Hamilton 902204
Date: 2018.02.21 15:48:58
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02/21/2018

Robert Hamilton
Contracting Officer
Network Contracting Office (NCO 20)

Date

b. **Director of Contracting:** certify the justification meets requirements for other than full and open competition.

S. Dale Allen
Director of Contracting
NCO-20

Date

2/23/18

VHAPM Part 806.3 Other Than Full and Open Competition (OFOC) SOP
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- 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 approve (\$700K to \$68 million) for other than full and open competition.

Delia A. Adams
1487955

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Adams 1487955
Date: 2018.02.27 16:45:35
-08'00'

Delia Adams, MBA, CPCM
Executive Director, Service Area Office West
Head of Contracting Activity (HCA)

27 February 2018

Date