

DEPARTMENT OF VETERANS AFFAIRS

**Justification for Single Source Awards IAW [FAR 13.106-1](#)
For
Over Micro-Purchase Threshold but Not Exceeding the SAT (\$250K)**

Acquisition Plan Action ID: VA259-18-AP-7209

- 1. Contracting Activity:** Department of Veterans Affairs, VISN 19, Rocky Mountain Regional VA Medical Center. Purchase Request (PR): 554-18-3-1889-0185
- 2. Brief Description of Supplies/ Services required and the intended use/Estimated Amount:**

Endoscopy System ENT, Fiberoptic. Estimated Amount: [REDACTED]

- 1.1.1.nStream GX Single Channel HDI-SDI (IS40950) – Qty 1
- 1.1.2.DVR Foot Swicth (IS40020) – Qty 1
- 1.1.3.Nurses Control Panel Arm – Long (MAJ-1664) – Qty 1
- 1.1.4.15” W Screen 1519LM (IS50025) – Qty 1
- 1.1.5.WM- NP2 Workstations SI Standard Set (K10021612) – Qty 1
- 1.1.6.Updr-80MD Sony DYE Sub Letr w/ 12’ USB (UPDR-80MD) – Qty 1
- 1.1.7.Visera Elite Keyboard (MAJ-1921) – Qty 1
- 1.1.8.Light Guide Cable (WA03300A) – Qty 4
- 1.1.9.Light Guide Cable (WA03310A1) – Qty 2
- 1.1.10. Spare Light-guide adapter, Olympus Light (WA03320A) – Qty 2
- 1.1.11. Remote Cable CV-160 for SVR Prin (MAJ-854) – Qty 1
- 1.1.12. Definition LED Monitor (OEV-262H) – Qty 1
- 1.1.13. Cam Head 1.0X Eyepiece (OTV0S7PROH-HD-10E) – Qty 1
- 1.1.14. Strob - LED CLL-S1 (WA97010A) – Qty 1
- 1.1.15. Stroboscopy throat microphone (WA97013A) – Qty 1
- 1.1.16. Operation & Maintenance Manuals

- 3. Unique characteristics that limit availability to only one source, with the reason no other supplies or services can be used:** This procurement is for Olympus America, Inc. (Olympus) Brand Name in accordance with 13.106-1(b)(1). The Rocky Mountain Regional VA Medical Center currently leases Olympus HD Layngoscopes, Olympus Rhino-Laryngo Video scopes with a monthly service agreement for a total of \$2,100,119.93 (Order No VA259-16-F-2915). The impending procurement of this equipment (ENT Endoscopy System) along with Olympus Speech Pathology Carts (VA259-18-AP-6637) are designed to be compatible for use with the existing scopes being leased. The leased scopes by Olympus are interchangeable with this ENT Endoscopy System made up of the parts listed in Section 2 and if another manufacturer product is sought for this requirement, the scopes on the current lease will not be compatible. This equipment for this requirement is being purchased versus leased, and provide consistency with the equipment currently utilized to treat VA patients. Further the Olympus Sterilization Tray with lid (WA05970A) & Tray Insert for WA05970A with mat (WA05971A) which were originally part of this requirement and are now being procured using the

Prime Vendor. These will also be compatible and remain consistent with the Olympus brand name items. The government has determined it is in the best interest of the VA patients and government to purchase the Brand Name Olympus equipment. Further, in accordance with VAAR 819.7007 the Contracting Officer finds that it would be in the best interest of the Government to sole source this acquisition to SDVOSB Alliant Healthcare. See Section 4 Olympus America. Inc section below for further justification.

4. Description of market research conducted and results or statement why it was not conducted:

Only one responsible source and no other supplies or services will satisfy this requirement. This is a brand name justification for Olympus ENT Endoscopy System. Rocky Mountain Regional VA Medical Center currently leases Olympus scopes. This ENT Endoscopy System uses the interchangeable scopes that are with the Olympus lease. If another vendor is sought, the scopes will not be compatible.

MARKET RESEARCH SOURCES

In accordance with FAR Part 10, market research has been conducted for this acquisition. The following *techniques* were used:

Medical Surgical Prime Vendor (MSPV) Contracts: A search was conducted on the National Acquisition Center's MedSurg Catalog search located at <http://www.va.gov/nac/MedSurg/List> for a list of nationally awarded contractors and/or prime vendor contracts. A search for "Olympus America" produced the contract V797P-2065D (GSA eLibrary) below. However, searching the part numbers (from the Statement of Work) provided no results and are not on the MSPV contract.

GSA eLibrary: <https://www.gsaelibrary.gsa.gov/ElibMain/home.do>. On May 15, 2018, a search for "Olympus America" was conducted and produced contract V797P-2065D schedule 65 II A A-9 with the description of Scopes, Medical with accessories and replacement parts. Includes, but is not limited to duodenoscopes, endoscopes, and surgical microscopes. Excludes laboratory microscopes. Applying SDVOSB and VOSB filters and verifying this provided 3 results. From these results, all vendors were contacted via email (Attachment GSA Email). Zero (0) vendors responded as being able to meet the specifications of the requirement.

GSAXcess: <https://gsaxcess.gov/>. A search using the part numbers (from the Statement of Work) produced zero results for this equipment. This is not an appropriate source at this time. (Attachment – GSAXcess).

ECAT: <https://www.medical.dla.mil/WAM/Home/consent/>. Searching the part numbers (from the Statement of Work) on ECAT shows all items except item OTV0S7PROH-HD-10E. However, this procurement has installation requirements. Installation cannot be ordered on ECAT. ECAT is not a required source. The CO has decided not to break up the requirement as contracting will still have to follow the same process to procure the one supply item (OTV0S7PROH-HD-10E) and the installation services for that item as well as all the other items that could have been purchased separately on ECAT.

Solutions for Enterprise-Wise Procurement (SEWP): <https://www.sewp.nasa.gov/>. A search was conducted for "Olympus America" as a provider. The search produced 0 results. A search of the part numbers (from the Statement of Work) produced zero (0) results. The conclusion of this search

effort is that SEWP does not have the provider and is not a source for acquiring this equipment at this time. (Attachment – SEWP - MR).

SDVOSB/VOSB Sources via VetBiz (VIP): In Accordance with VAAR Subpart 819.7004, 819.7005, 819.7006 - <https://www.vip.vetbiz.gov/>. A search on Vetbiz.gov was conducted in an attempt to locate Service-Disabled-Veteran-Owned-Small-Business (SDVOSB) and Veteran-Owned-Small Business (VOSB) concerns utilizing NAICS code 339113 (this search provided 294 SDVOSB and 239 VOSB results). From these results, all vendors were contacted via email (Attachments SDVOSB Email and VOSB Email). One (1) SDVOSB vendor (Alliant Healthcare) responded stating they were capable and provided the same letter of authorization referenced in the Olympus America Inc section below. Further, the SDVOSB believes the appropriate NAICS code for this procurement should be 334510 Electromedical and Electrotherapeutic Apparatus Manufacturing, PSC 6525 with NAICS code description. The CO has determined changing the NAICS at time will not change the outcome of further market research using the new NAICS as no other SDVOSB would be able to provide this brand name equipment (see Olympus America Inc section below).

Small Business Administration (SBA) – Dynamic Small Business Search (DSBS):

http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm. SBA DSBS market research was conducted utilizing NAICS code 339113 and the keyword “endoscope” and produced seven (7) results. Another search using NAICS code 339113 and the keyword “endoscopy” produced twelve (12) results; Another search using NAICS code 339113 and the keyword “Olympus America” and produced zero (0) results; These vendors were contacted via email (Attachment SBA Email). Zero (0) vendors responded as being able to meet the specifications of the requirement.

FBO RFI/Sources Sought Notice: An RFI/Sources Sought Notice was published to Federal Business Opportunities (FBO) on May 24, 2018 (Attachment – S03 - FBO – 36A77618Q9057). One (1) vendor, Utech Products DBA EndoSoft responded as being able to meet the specifications of the requirement with an equal to Olympus America. This vendor was asked to provide cut sheets as specified in the RFI. This vendor did not provide cut sheets. This vendor provided a partial bid list of equivalent items. Regardless, this was forwarded to the end users and subject matter experts to determine technical acceptability. Based on this information, they determined these are not acceptable. The end users are procuring the brand name Olympus Sterilization Tray with lid (WA05970A) & Tray Insert for WA05970A with mat (WA05971A) which were originally part of this requirement using the Prime Vendor. They cannot mix and match the Endoscopy System. Please see Section 3 of the P03 – J&A for Brand Name for further reasons supporting the brand name.

Olympus America. Inc: Olympus America Inc. was contacted via email asking if they had authorized distributors. The vendor identified Alliant Enterprises DBA Alliant Healthcare, a verified SDVOSB, as an authorized reseller for Olympus America Inc. (Attachment – Olympus America - Alliant - SDVOSB). Alliant Healthcare was selected as the “EXCLUSIVE authorized SDVOSB partner” (Attachment– Olympus Letter of Supply). Therefore, no other SDVOSBs can provide this brand name equipment.

VHAPM Part 813.106 Simplified Acquisition Procedures: Soliciting from a Single Source
Attachment 1: Single Source Justification for SAP under the SAT

MARKET RESEARCH FINDINGS

Vendor	DUNS	Socioeconomic Category	Authorized	Meets Brand Name
Olympus America Inc.	125103460	Other than Small	OEM	Yes
Alliant Enterprises, LLC	121170653	SDVOSB	Yes	Yes
Utech Products DBA EndoSoft	607404563	Other than Small	OEM	No

OTHER PERTINENT INFORMATION

Per VHA specific requirements set forth in VHAPM Part 813.106-1/2, the VHA aims to prevent the sale of “gray market goods,” defined as goods sold through unauthorized channels in direct competition with authorized distributors. This procurement is for new OEM medical supplies, medical equipment and/or services contracts for maintenance of medical equipment (i.e. replacement parts) for VA Medical Centers. No remanufactures or gray market items will be acceptable.

The CO has reviewed the considerations of the above-referenced guidance in terms of the context of the subject procurement and has determined that it is in the best interest of the Government to purchase the items from the SDVOSB Alliant Healthcare, the exclusive SDVOSB authorized distributor of the Original Equipment Manufacturer (OEM), Olympus America Inc.

NON-MANUFACTURING RULE (NMR)

The requirement that a Non-Manufacturer supply the product of a small business concern is referred to as the Non-Manufacturer Rule (NMR) [13 C.F.R. § 121.406]. In order to qualify as a small business concern for a small business set-aside, an offeror must either manufacture the item in accordance with the Limitations on Subcontracting (see FAR section 52.219-14, 52.219-27 and 13 C.F.R. § 125.6) or supply the product of a small business made in the United States.

FAR 19.102(f)(4) provides that, “in the case of acquisitions set aside for small business or awarded under section 8(a) of the Small Business Act, when the acquisition is for a specific product (or a product in a class of products) for which the SBA has determined that there are no small business manufacturers or processors in the Federal market, then the SBA may grant a class waiver so that a nonmanufacturer does not have to furnish the product of a small business.” The SBA Administrator has delegated the authority to make decisions on waivers of the NMR to the Associate Administrator for Government Contracting in the case of class waivers.

As the subject requirement is for supplies, the Contracting Officer (CO) determined the NMR is applicable. Further, the CO found there is an existing class waiver for NAICS 334510 and PSC 6525, description including endoscopic equipment. The current list of NMR Class Waivers is maintained by the SBA and can be found at <https://www.sba.gov/contracting/contracting-officials/non-manufacturer-rule/class-waivers>. Therefore, the CO has determined a NMR Waiver Request is not required to be submitted for this requirement.

5. **Contracting Officer's Certification:** *Purchase is approved in accordance with FAR13.106-1(b). I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.*

Michelle Rhodes
Contracting Officer

Date