

DEPARTMENT OF VETERANS AFFAIRS

**Justification and Approval (J&A)
For
Other Than Full and Open Competition (>SAT)**

Acquisition Plan Action ID: VA246-18-AP-10959

1. Contracting Activity:

Department of Veterans Affairs, VISN 06, Network Contracting Office 06, 100 Emancipation Drive, Hampton, Virginia 23667

2. Nature and/or Description of the Action Being Processed:

This is an SDVOSB Sole Source for Olympus Brand EU-ME2 Ultrasound Processor and supporting equipment for the Fayetteville VAMC. This requirement shall be executed as a sole source to Alliant Healthcare under the authorities cited in Para. 4 of this document.

3. Description of Supplies/Services Required to Meet the Agency's Needs:

This Requirement is for Olympus Brand EU-ME2 Ultrasound Processor and supporting equipment for the aforementioned which will be utilized to seamlessly integrate into the existing infrastructure of the Fayetteville VAMC. The Medical Center is in need of this equipment as the current processor is at end of life and will ultimately be traded-in. Estimated Value of this procurement is approximately \$471,490.70.

4. Statutory Authority Permitting Other than Full and Open Competition:

- ☐ (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;

This requirement will be executed under the authorities cited above the in conjunction with Public Law 38 U.S.C. 8127(b) and VAAR 819.7007 Sole Source Awards to Service-Disabled Veteran-Owned Small Business Concerns.

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

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

Olympus America Inc. and their subsequent business relationships that have led to Alliant Healthcare being the only authorized SDVOSB distributor of Olympus Brand Equipment as of 31 Jan 2017.

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

The Contracting Officer relied on personal knowledge of this and similar requirements for the VISN 06 GI Clinics. The CO is familiar with Olympus America and their present day business relationships for Ultra Sound related product lines. Additionally, VIP was utilized to validate Alliant Healthcare's claim to SDVOSB Status. Furthermore, a memo dated March 9th, 2018 was submitted to the contracting officer in response to inquiry in which Olympus asserts that "Alliant Healthcare has been selected by Olympus America Inc. as its exclusive authorized SDVOSB partner"

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

The business relationship between Alliant Healthcare and Olympus has formed a price-lock to which fact that Alliant is prohibited from selling Olympus products to the VA for any more than the Olympus FSS price.

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

Market research was conducted via utilizing the World Wide Web, Google, GSA Advantage, Medsur Catalog Search Tool hosted by the National Acquisition Center (CSST), Tele-cons with Subject Matter Experts, Tele-Cons with Industry Vendor Information Pages (VIP) and the Contracting Officer's personal knowledge.

As a result of all market research conducted it was found that most items required to meet the minimum needs of the Government are available via Olympus FSS Contract V797P-2065D. VIP returned 291 Vet Owned Businesses under the applicable NAICS Code of 339112. VIP was also utilized to validate Alliant Healthcare's claim to SDVOSB Status. Furthermore, Olympus America Inc. asserted that "Alliant Healthcare has been selected by Olympus America Inc. as its exclusive authorized SDVOSB partner".

9. Any Other Facts Supporting the Use of Other than Full and Open Competition:

VISN 6 had a previous requirement to lease endoscopic equipment from Olympus America in accordance with DUSHOM Policy Memo Dated 6 Dec 2010 which mandated standardization and Leasing of endoscopic equipment. As required, VISN 6 executed a lease with Olympus America for endoscopic equipment as it had previously standardized upon. During FY 2016 all VISN 6 Olympus Scope Leases were bought-out for a long term multi-million dollar future cost savings initiative which equated to \$14.8M over approx. 6 years.

Additionally, Olympus had previously announced that they would no longer support the software infrastructure (EndoWorks) necessary for the scopes and hardware in early calendar year 2018. As a direct result of such notification, VISN 6 sought and awarded a \$1.5M VISN Level Contract for a

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replacement system and subsequent \$1.1M Maintenance/Support Contract for the system that goes into effect post installation all spec'd to Olympus Brand Equipment in inventory.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

Olympus America, Inc.
3500 Corporate Pkwy
Center Valley, PA, 18034-8229
Large Business

Alliant Healthcare
333 Bridge Street NW, Suite 1125
Grand Rapids, MI, 49504-5367
SDVOSB – CVE Verified

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:

Efforts to overcome and remove barriers of competition shall be addressed upon the next opportunity for VISN 06 Medical Centers refresh of both Hardware and Supporting Software. With VISN 06's recent activity in standardizing at an enterprise level, it has become cost prohibitive to do at this time.

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.

ROSCOE C.
BOWEN 1048590

Digitally signed by ROSCOE C.
BOWEN 1048590
Date: 2018.06.08 10:45:49 -04'00'

Roscoe Bowen
Biomedical Engineering Chief
Fayetteville VAMC

Date

13. 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 or Designee's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

RACCSHI T.

Digitally signed by RACCSHI
T. WILSON 729142

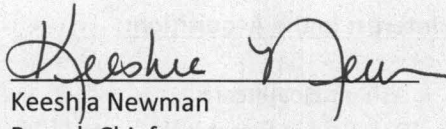
RACCSHI WILSON
Contracting Officer

Networking Contracting Office 6

WILSON 729142
Date: 2018.06.08 10:48:54
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- b. One Level Above the Contracting Officer (Required over SAT but not exceeding \$700K): I certify the justification meets requirements for other than full and open competition.

→ 
Keeshja Newman
Branch Chief
Networking Contracting Office 6

6/8/18
Date

OLYMPUS

VIA E-MAIL

March 9, 2018

Eric Albery
Program Director, Government Business
Alliant Healthcare
333 Bride Street NW, Ste 1125
Grand Rapids, MI 49504

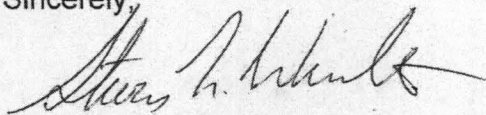
Dear Mr. Albery:

This letter is to confirm that Alliant Enterprises, LLC ("Alliant") has been selected by Olympus America Inc., Medical Systems Group ("Olympus") as its exclusive authorized Service Disabled Veteran Owned Small Business partner. Subject to the terms of our distribution agreement, Alliant Healthcare is authorized to purchase products from Olympus and to resell them to the federal government on an Open Market basis or, where applicable, through the Alliant Healthcare's DAPA or ECAT contract.

This communication shall serve as Olympus' official letter of supply to Alliant Healthcare, Alliant shall have an uninterrupted supply of products to meet requirements of government contracts awarded to your firm while our distribution agreement remains in effect. If your customer have any questions or require further information they may contact Olympus at GovernmentSales@olympus.com.

On behalf of Olympus I would like to thank you and the Alliant team for your continued support and excellent service to our mutual government customers.

Sincerely,



Steven K. Wendt
Olympus America Inc., Medical Systems Group
Executive Director, Chief Contracting Officer

