

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: VA257-18-AP-2623

1. **Contracting Activity:** Department of Veterans Affairs, SAO West, Network Contracting Office 17, on behalf of the West Texas VA Health Care System (WTVAHCS) intends to enter into a Blanket Purchase Agreement (BPA), on a sole source basis, with Irsorx Texas, Ltd., for the purchase of Radiopharmaceuticals.
2. **Brief Description of Supplies/ Services required and the intended use/Estimated Amount:** The WTVAHCS, located in Big Spring, Texas, requires radiopharmaceuticals for dispensing to hospital patients. Radioactive Isotopes along with other substances must be compounded within close geographic proximity to the facility. This is because some radiopharmaceuticals require administration to patients within two (2) hours of compounding.
3. **Unique characteristics that limit availability to only one source, with the reason no other supplies or services can be used:** The industry for radiopharmaceuticals is very specialized and regulated; in the remote location of Big Spring, Texas, within the Premium Basin in the western part of the state, very few compounding pharmacies specializing in radioactive drugs are available. Due to the facility's remote location, and need for geographically close pharmacies, sources are limited. IsoRx Texas, Ltd., located in Odessa, Texas (approximately 67 miles away) is the only supplier who can provide the needed radiopharmaceuticals within the required delivery times.

Exact radiopharmaceutical needs cannot be known prior to being prescribed by a Clinician for a specific patient; however, the facility can estimate the number of drugs required. Therefore, the government anticipates a BPA awarded pursuant to FAR Part 13.

The estimated value of the procurement, including options is .

4. **Description of market research conducted and results or statement why it was not conducted:** Market Research was conducted in accordance with FAR Part 10. A search of VetBiz.gov revealed fifty-eight (58) matches under NAICS code 325412. These fifty-eight (58) contractors were contacted on 04/04/2018 in reference to both the WTVAHCS' and the Amarillo VA Health Care System's (AVAHCS) radiopharmaceutical needs. Two (2) negative responses were received from industry, and zero (0) positive responses were received.

A Sources Sought Notice was issued on 04/12/2018 in an attempt to identify all small business contractors and/or small business manufacturers capable and willing to provide items to either the WTVAHCS, the AVAHCS, or both. One (1) response was received from industry. This contractor is the incumbent for the AVAHCS and stated they could continue to provide radiopharmaceuticals to the AVAHCS, but were out of the WTVAHCS service area being approximately four (4) hours away by car.

The Contract Specialist appealed to the Using Service for assistance with finding additional sources. Two (2) sources were identified:

- The first being IsoRx Texas, Ltd., a small business with locations in Odessa, Texas (approximately 62 miles), and Lubbock, Texas (approximately 103 miles). This contractor met with the Contract Specialist on 05/07/2018 at 2:00 p.m. CST to discuss the government's needs. Per the Sales Representative the IsoRx company is broken into two (2) regions. Their California regional office has done work with the DOD and VA in California and is registered in SAM (currently expired), but their Texas regional office was not registered in SAM. However, they initiated SAM registration on 05/25/2018 in order to respond to a WTVAHCS radiopharmaceutical solicitation. They have declined to provide radiopharmaceuticals for the Amarillo area.
- The second source identified was large business Cardinal Health located in Abilene, Texas, approximately 107 miles away. Cardinal Health was contacted and it was determined that urgent radiopharmaceuticals would require 2.5 to 3 hours delivery time. It was determined that Cardinal Health could not meet the required 2-hour delivery time.

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.*

Jessica E. Roman

Jessica E. Roman
Contracting Officer



Date