

ROUTING AND TRANSMITTAL SLIP

Date

August 17, 2018

TO: (Name, office symbol, room number, building, Agency/Post)	Initials	Date
1. NCO 6, Division Chief- review, sign	<i>[Signature]</i>	21 AUG 18
2. NCO 6, Quality Assurance (QA) – review, sign	KC	8-21-18
3. NCO 6, Director Of Contracting (DOC) – review, initial,	<i>[Signature]</i>	8/22/18
4. VHA-Head of Contracting Agency (HCA)- review, sign		

Action	File	Note and Return
Approval	For Clearance	Per Conversation
As Requested	For Correction	Prepare Reply
Circulate	For Your Information	See Me
Comment	Investigate	X Signature
Coordination	Justify	

REMARKS

SUBJECT: Justification and Approval
 VA246-18-AP-1506
 HOWARD MEDICAL DISPENSING CARTS
 MULTIPLE SITE ORDER

DO NOT use this form as a RECORD of approvals, concurrences, disposals, clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post) Benetta L. Northern, NCO 6 Contract Specialist	Room No. - Bldg. 27
	Phone No.
	757-728-7196

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Exception to Fair Opportunity Memo

Acquisition Plan Action ID: 36C246-18-AP-1506

- 1. Contracting Activity:** Department of Veterans Affairs, VISN 06, VA Medical Centers Network Contracting Office, NCO 6, for VISN-wide use.
- 2. Description of Action:** To award a firm fixed price Government Wide Acquisition Contract-Solutions for Enterprise Wide Procurement (GWAC-SEWP) order. This solicitation is to be issued as a 100% SERVICE DISABLED VETERAN OWNED SMALL BUSINESS (SDVOSB) set aside. For Howard Medicine Dispensing Carts. This order is to provide the carts-VISN-wide.
- 3. Description of Supplies or Services:** The proposed action is to provide the brand name Howard medical carts used for medication dispensing and tracking. These carts are automated with computer monitors, keyboards, and other computer related equipment, which include software that provides a dispensing tracking system and an inventory management system. The equipment has security measures that require password access from the user. The tracking, inventory and security systems run on built-in software. This software is proprietary in nature and licensed only thru Howard Medical Systems. The hardware is provided by Howard Medical Systems and the carts are ready to use upon delivery, as they are already outfitted with the proper software and hardware. VISN 6 has automated medicine dispensing equipment throughout its healthcare system. The current fleet has equipment that range from 3 -5 years old and older therefore, they require updating by replacement. The estimated total price of \$2,770,000.00.
- 4. Statutory Authority:** The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c) as implemented by the Federal Acquisition Regulation (FAR) Subpart 16.505 Subpart 16.505(b)(2)(i):

() FAR Subpart 16.505(b)(2)(i)(A): The agency need for the supplies or services is so urgent that providing a fair opportunity would result in unacceptable delays.

() FAR Subpart 16.505(b)(2)(i)(B): Only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized.

() FAR Subpart 16.505(b)(2)(i)(C): The order must be issued on a sole-source basis in the interest of economy and efficiency because it is a logical follow-on to an order already issued under the contract, provided that all awardees were given a fair opportunity to be considered for the original order.

() FAR Subpart 16.505(b)(2)(i)(D): It is necessary to place an order to satisfy a minimum guarantee.

(xx) FAR Subpart 16.505(b)(2)(i)(E): For orders exceeding the simplified acquisition threshold, a statute expressly authorizes or requires that the purchase be made from a specified source". The statutory authority permitting an exception to fair opportunity for this action is 38 U.S.C. 8127(c), known as the Veterans First Contracting Program which provides the authority to directly contract with a Service-Disabled Veteran-Owned Small Business (SDVOSB) or a Veteran-Owned Small Business (VOSB).

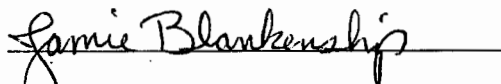
() FAR Subpart 16.505(b)(2)(i)(F) In accordance with section 1331 of Public Law 111-240 (15 U.S.C. 644(r)), contracting officers may, at their discretion, set aside orders for any of the small business concerns identified in 19.000(a)(3). When setting aside orders for small business concerns, the specific small business program eligibility requirements identified in part 19 apply.

5. Rationale Supporting Use FAR 16.505(a)(4) and FAR 11.105(a)(2)(i) exception "Procuring items Particular to one manufacturer". The decision to use Howard Medical brand carts was made 5 years ago when determining which carts would best fit the telehealth program. VISN 6 has approximately 900 carts for use as part of the automated telehealth program. Howard Medical carts account for approximately 50% of all automated medical dispensing carts at the VISN 6 facilities. These carts are built compliant with VA's vision of equipment standardization. This standardization assists in managing medicines which saves money due to better medication inventory. The financial aspect is important; however, patient care has been improved. The chances of overdoses or under doses are greatly lessened by having the Howard Medical Hi-Care Cart system in place. By having the patient information uploaded into the system, it can keep track of dosing. Also, a special narcotic feature has an added as a security feature that allows only one dose to be accessed at a time. The carts are also set up so that the facilities mirror each other (i.e. cabinets/carts available at one facility within VISN 6 are available at another facility within VISN 6). If another vendor is selected, medication mismanagement would be a dangerous possibility as both the vendor and the clinicians become familiar with the equipment and the requirements. Howard Medical has 2 SDVOSB's as authorized distributors for this product. Both distributors are SEWP contract holders.

6. Efforts to Obtain Competition: IAW PPM 2016-5, the rule of two for SDVOSB has been met, therefore, a 100% Service disabled veteran owned small business set-aside is being issued. The solicitation is being issued on the SEWP website to capture all potential sources.

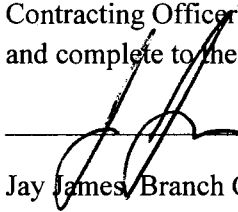
7. Actions to Increase Competition: At this time competition requirements have been met.
8. Market Research: A sources sought was issued on FBO on June 22, 2018 under #36C24618Q9310 to ensure that the requirement had received the widest dissemination available to advertise the VA need. Two (2) responses were received, one from the manufacturer-a large business and one from an authorized distributor-a service disabled veteran owned small business concern. On August 3, 2018 a sources sought was issued on NIH 8/8/2018, one SDVOSB responded, with its SEWP information. A VIP search was conducted, revealing two (2) (SDVOSB) authorized distributors, IAW PPM 2016-5, the rule of two has been met. The Government's Equipment Specialists perform continuous market research. Previously this requirement has been advertised on Ebuy, SEWP and NIH to ensure the all GPE's could be accessed by potential offerors.
9. Other Facts: All pertinent information has been addressed.
10. Determination that Anticipated Price is Fair and Reasonable: A determination by the contracting officer that the anticipated price to the Government will be fair and reasonable based on competition between all GWAC holders. Historical data available thru IFCAP and Ecms will be used to determine that the price(s) are fair and reasonable.

Technical and Requirements Certification: I certify that the supporting data under my cognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.



Jamie Blankenship, Equipment Specialist, VISN 6


- 11.** Contracting Officer's Certification (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


Jay James, Branch Chief, Supply IV, NCO 6

8-20-18

- 12.** Approvals in accordance with VHAPM Part 806.3 Other Than Full and Open Competition SOP.

- a. One Level Above the Contracting Officer (Required over \$150K but not exceeding \$700K): I certify the justification meets requirements for other than full and open competition.


Nancy L. Bailey
NCO/PCO 06, Director Of Contracting

8-20-18
Date

HIGHER LEVEL APPROVAL (Required for orders over \$700,000):

- b. VHA SAO HCA REVIEW AND APPROVAL (over \$700,000 to \$68 million): I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

Brent Goe
Acting Executive Director, SAO East

Date