

**LIMITED SOURCES JUSTIFICATION**

**ORDER >SAT**

**FAR PART 8.405-6**

**Acquisition Plan Action ID:** **36C246-18-AP-2212**

**1. Contracting Activity:** Department of Veterans Affairs, VISN 06, Hampton VA Medical Center

**2. Description of Action:** This acquisition is conducted under the authority of the Multiple-Award Schedule Program (41 U.S.C. 251 and 40 U.S.C. 501). Upgrade of current OmniCell cabinets and procurement of additional OmniCell cabinets and OmniCell software "Anywhere RN" licensures, which are only compatible with OmniCell products.

**3. Order against:** ☒ FSS Contract Number: V797D-30111

Name of Proposed Contractor: OmniCell Inc.

Street Address: 590 E. Middlefield Road

City, State, Zip: Mountain View, CA 94043

Phone: 650-151-6100

**4. Description of Supplies or Services:**

The estimated value of the proposed action is \$3,255,965.15

The Salem VAMC Pharmacy has a need for Omnicell Pharmacy cabinets, High speed unit dose packager systems, and other supporting hardware and software. Omnicell is the main operating platform by which pharmacy service facilitates workflow relative to medication distribution throughout the medical center. Omnicell equipment is used throughout VA facilities in VISN 6 and equipment being procured is requested for standardization. Omnicell is the manufacturer and sole distributor of this equipment. Referencing a memorandum for record dated 25 June 2018 from Omnicell Director of Strategic Accounts, Matthew Osucha:

"Omnicell is sole manufacturer and exclusive provider of Omnicell products and support services for the Omnicell equipment in the United States; we do not have authorized personnel outside of our company to provide the required products or services for Omnicell procurements. Omnicell does not contract products or services to 3<sup>rd</sup> parties, therefore there are no other sources capable of meeting the requirement."

**(4) IDENTIFY THE AUTHORITY AND SUPPORTING RATIONALE (see 8.405-6(a)(1)(i)(A), (B), and (C) or 8.405-6(b)), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.**

☐ An urgent and compelling need exists, and following the ordering procedures would result in unacceptable delays.

☐ Only one source is capable of providing the supplies or services required at the level of quality required because the supplies or services are unique or highly specialized;

☐ In the interest of economy and efficiency, the new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

☒ Items peculiar to one manufacturer:

☐ A patent, copyright or proprietary data limits competition. The proprietary data is: (If FAR 8.405-6(a)(2)iii before posting. Do not include specific proprietary data. Only mention the type of equipment, procedure, etc. to show that proprietary supplies or services are being procured.)

☒ These are "direct replacements" parts/components for existing equipment.

☐ The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed/performing. Describe the equipment/function you have now and how the new item/service must coordinate, connect, or interface with the existing system.

**(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.404(d) TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:**

Omniceil Inc. is the manufacturer of all of the requiring activity's existing infrastructure that the requested software depends upon for interface with the recording programs. Utilizing another secure pharmaceutical cabinet system would require the change of infrastructure, or a costly piece of middleware, which would result in significant delays. These delays would cause cancellation of patient appointments and would likely result in a substantial duplication of costs not expected to be recovered by competition.

**(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:**



minimum needs of the Government are available via Omnicell FSS Contract V797D-30111. Furthermore, in a Memorandum for Record dated 06/25/2018 Omnicell Inc. asserted that "Omnicell is sole manufacturer and exclusive provider of Omnicell products and support services for the Omnicell equipment in the United States".

**(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:**

Omnicell is a major system and highly specialized equipment; Salem VAMC currently has Omnicell products in place throughout all inpatient units, OR, ED, and Pharmacy. All applicable staff are already trained and proficient in the use of Omnicell products.

Procurement of these items are due to the current equipment at life expectancy as well as to ensure all areas of the medical center which store and administer medications have a secure, controlled place to store medications. Additionally, the equipment Pharmacy uses for pre-packing unit dose medications for inpatient daily medications and on-demand medications are Omnicell products; these products are not in need of replacement; however, should another vendor be utilized, they would have to be replaced which would be a significant cost to the medical center. Additionally, another vendor would also mean training of all applicable medical center staff for new equipment which could have potential consequences to patient care of delivery of medications. Nursing has one nurse educator and this would be a huge task to retrain all nurses for new software and equipment.

**(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:**

There is no additional action required to remove or overcome barriers to restricted consideration.

**(9) 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. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*




Jeffrey Thompson, PharmD  
Chief, Pharmacy  
Salem VAMC

7/4/18  
Date

VHAPM Part 808.405-6 Limiting Sources  
Attachment 2: Request for Limited Sources Justification Format >SAT

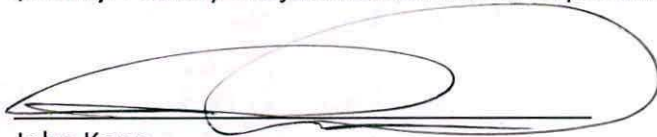
**(10) APPROVALS IN ACCORDANCE WITH THE VHAPM Part 806.3 OFOC SOP:**

**a. CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

	<u>8/6/18</u>
CONTRACTING OFFICER/DESIGNEE'S SIGNATURE	DATE
<u>LEE C. RUSSELL, Branch Chief</u>	<u>NCO C</u>
NAME AND TITLE	FACILITY

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



John Kopp  
NCO 6 Division 1 Chief

05 SEP 18  
Date

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

**c. 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

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DATE