

**DEPARTMENT OF VETERANS AFFAIRS**

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

**Acquisition Plan Action ID:** 36C776-18-AP-0196

**1. Contracting Activity:** Department of Veterans Affairs, Program Contracting Activity Central (PCAC)

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

Chico OutPatient Clinic (Chico OPC) is pursuing the purchase of supply and pharmacy Omnicell cabinets to integrate with the current Omnicell server and infrastructure. Veteran Affairs Northern California HealthCare System (VANCHCS) has purchased, Implemented and deployed Networked Omnicell Server infrastructure to network Omnicell supply and pharmacy cabinets across all ten (10) sites in VANCHCS.

Justification and Approval (J&A) for the brand name selection of the items listed in Table 1 below. This action will be awarded as a new Firm-Fixed-Price contract with an estimated value of

██████████

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

ITEM #		JSN	Model	Description	QTY	Unit Cost	Ext Cost
a	Omnicell XT Quarter-Height Cabinet	M3150	MED-FRM-106	Distribution System, Medication, Automatic	3	██████████	██████████
b	OmniSupplier Two-Cell Auxiliary	M3150-A	XT SUP AUX 2-CELL CABINET	Distribution System, Supplies Automatic, Aux 2 Cell	3	██████████	██████████
c	XT SUP 2-CELL CABINET	M3150-B	SUP-FRM-102	Distribution System, Supplies, Automatic, 2-Cell	6	██████████	██████████
d	XT SUP 3-CELL CABINET	M3150-C	XT SUP 3-CELL CABINET	Distribution System, Supplies, Automatic, 3-Cell	4	██████████	██████████
e	FlexLock	M3150-D	SRD-OPT-012	Dispenser, Supply, Lock Module	3	██████████	██████████
f	OmniSupplier Three-Cell Auxiliary	M3150-E	SUP-AUX-103XT SUP AUX 3-CELL CABINET	Distribution System, Medication, Automatic, Aux, 3-Cell	1	██████████	██████████

Total Cost

**a) Item (MED-FRM-106) Omnicell XT Quarter-Height Cabinet-M3150**

An automated dispensing system that provides controlled dispensing, inventory and security. Size and cost will vary dependent on number of modules selected. Quarter-Height Cabinet

- Touch screen display to operate system
- Adjustable shelving to hold supplies of varied sizes/dimensions
- Glass doors
- Ethernet connection for data transfer
- System software that allows for queries and monitoring of par levels that can be viewed remotely.
- Backup battery
- Compatible with current VANCHS ADU system

**b) Item (XT SUP AUX 2-CELL CABINET) Distribution System, Supplies Automatic, Aux 2 Cell-M3150-A**

An automated dispensing system that provides controlled dispensing, inventory and security. Size and cost will vary dependent on number of modules selected.

Two-door automated supply cabinet

- Touch screen display to operate system
- Adjustable shelving to hold supplies of varied sizes/dimensions
- Glass doors
- Ethernet connection for data transfer
- System software that allows for queries and monitoring of par levels that can be viewed remotely.
- Backup battery
- Compatible with current VANCHS ADU system

**c) Item (XT SUP 2-CELL CABINET) Distribution System, Supplies, Automatic, 2-Cell -M3150-B**

An automated dispensing system that provides controlled dispensing, inventory and security. Size and cost will vary dependent on number of modules selected.

Two-door automated supply cabinet

- Touch screen display to operate system
- Adjustable shelving to hold supplies of varied sizes/dimensions
- Glass doors
- Ethernet connection for data transfer
- System software that allows for queries and monitoring of par levels that can be viewed remotely.
- Backup battery
- Compatible with current VANCHS ADU system

**d) Item (XT SUP 3-CELL CABINET) Distribution System, Supplies, Automatic, 3-Cell -M3150-C**

An automated dispensing system that provides controlled dispensing, inventory and security. Size and cost will vary dependent on number of modules selected.

Three-door automated supply cabinet

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

- Touch screen display to operate system
- Adjustable shelving to hold supplies of varied sizes/dimensions
- Glass doors
- Ethernet connection for data transfer
- System software that allows for queries and monitoring of par levels that can be viewed remotely.
- Backup battery
- Compatible with current VANCHS ADU system

**e) Item (OCFLTCK) Dispenser, Supply, Lock Module-M3150-D**

An automated dispensing system that provides controlled dispensing, inventory and security. Size and cost will vary dependent on number of modules selected.

- Automated Distribution Unit lock module with for use on refrigerators connected to controlled medication/supply system.
- Lock shall fit most domestic and biological type refrigerators. Unit shall be connected directly to ADU cabinet for control from the cabinet to the refrigerator.
- Compatible with current VANCHS ADU system

**f) Item (OmniSupplier Three-Cell Auxiliary) Distribution System, Medication, Automatic, Aux, 3-Cell-M3150-E**

An automated dispensing system that provides controlled dispensing, inventory and security. Size and cost will vary dependent on number of modules selected.

Two-door automated supply cabinet

- Touch screen display to operate system
- Adjustable shelving to hold supplies of varied sizes/dimensions
- Glass doors
- Ethernet connection for data transfer
- System software that allows for queries and monitoring of par levels that can be viewed remotely.
- Backup battery

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

The statutory authority for restricting competition under Simplified Acquisition Procedures (SAP), or Single Sourcing, for acquisitions over the Simplified Acquisition Threshold (SAT) is 41 U.S.C. 3304(a)(1), as implemented by:

**FAR13.5 Simplified Procedures for Certain Commercial Items:** The authority for applying the Simplified Procedures for Commercial Items of FAR 13.5 is 41 U.S.C. 1901 and is implemented by for restricting competition on this procurement via FAR 13.106-1(b)(2).

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

The VHA Chico OutPatient Clinic (Chico OPC) requires pharmacy Omnicell cabinets to integrate with the current Omnicell server and infrastructure. Veteran Affairs Northern California HealthCare System (VANCHCS) has purchased, implemented, and deployed Networked Omnicell Server

infrastructure to network Omnicell supply and pharmacy cabinets across all ten (10) sites in VANCHCS ranging from the Oregon border to the east bay and back to Sacramento. The server allows for active networked communication across all sites in VANCHCS supply services and directly interfaces with Veteran Affairs (VA) Alarm Recall Management System (ARMS). This digital networked configuration provides the Logistical Management Service (LMS) with automated alerts and reports detailing equipment recall and notices that could pose harm to patients. All Omnicell cabinets are networked and have been vetted by the VA Office of Information and Technology (OI&T), VANCHCS Information Security Officers (ISO), and have been signed off using VA Directive 6550 App A. The cost for Omnicell infrastructure was approximately \$120K and includes the server, surveillance workstations, and, license. Further, over 100 hours have been spent on installation, configuration, and activation. Not purchasing Omnicell would require additional server infrastructure at a cost equal to or more than \$120K. Furthermore, not purchasing Omnicell at Chico OPC would require users to monitor separate systems and this additional monitoring increases user error and adds another point of failure. A standardized system reduces user error and increases patient safety. Additionally, the Omnicell cabinets allow for standardized networked communication across all 10 sites in VANCHCS directly interfacing with Veteran Affairs (VA) ARMS to ensure products are safe to use on patients.

The current features only available through the Omnicell platform include:

- Visual Guiding lights that indicate the physical location of medication found within the cabinet and provides additional indicators to locate correct medication.
- VA Approved software “AnywhereRN,” that allows nurses to queue medication for scheduled medication pulls from any network IT Workstation.
- Built-in medication label printer with validating barcode that fulfills Joint Commission Requirements regarding medication. This feature has been found only on Omnicell products. While most medication dispensing cabinets have not added this new technology to remain current with Joint Commission accreditation standards, Omnicell leads the way in patient safety and adhering to accreditation standards.

Omnicell interfaces with current pharmacy analytics at no additional cost and integrates with the VHA Electronic Health Record (eHR) system in addition to the Admit, Discharge and Transfer interface. This interface allows physicians and nurses the ability to track patients during the entire length of their stay, keeping detailed records of medication type and dosage while scheduling the time medication is administered and consecutive doses. Automating this function will provide higher levels of care to our veterans and ensure minimal degrees of user error.

The interaction with the VA AMRS occurs in both supply cabinets and pharmacy cabinets. Recall and alerts are handled nationally through the National Center for Patient Safety (NCPS) and are received locally where Logistics Management Services (LMS) and Pharmacy can quickly and easily access the cabinets system’s wide and validate inventory. This patient safety reporting and tracking passes through the already established Omnicell server. Omnicell servers are proprietary and only communicate with Omnicell cabinets and is currently the only way to monitor expired or hazardous inventory without physically being in front of the cabinet. This automated and centralized surveillance of inventory reduces human error and increases response time in removing hazardous inventory, ultimately significantly reducing risk to patients.

The Omnicell server compiles reports on the cabinets, including but not limited to: inventory recalls and alerts, inventory levels to track par levels throughout VANCHCS, expiration dates, and several

other reporting features focused on patient safety and inventory shrink. In regards to pharmacy specific cabinets, the Omnicell server broadcasts messages across the network/VANCHCS to set drug type and quantity. Omnicell is the only cabinet able to work in an outpatient setting and identify patient specific "Bins." No other vendor is known to provide this in the outpatient setting. Configuration of non-admitted patients is possible with Omnicell, increasing patient safety as the erroneous administration of medication is less likely to occur.

Further, architectural designs were completed and the space was measured to fit Omnicell cabinets with accessible network and electrical outlets installed. An additional benefit with Omnicell is that auxiliary cabinets connect to the Omnicell main cabinet and additional network drops are not required. Consideration of equipment other than Omnicell will require architectural redesigns, full modifications to room size, changes in electrical and network drops that will ultimately incur a heavy cost for Chico OPC and VANCHCS and cause delays in the Clinic's activation.

Finally, VANCHCS currently has Omnicell equipment and equipment specific tools for repair and spare parts. Should any networked Omnicell equipment become non-operational and need immediate repair, VANCHCS can provide rapid assistance, service, and parts limiting any down time to hours verse days should we go with another product, further reducing risk to patients as the result of a downed pharmacy dispensing system.

**6. Description of efforts made to ensure that offers are solicited from as many potential sources as deemed practicable:**

See section 8 below for detailed market research efforts to ensure offers will be solicited from as many potential sources as deemed practicable.

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

The Contracting Officer will compare the proposed price submitted by the offeror to the IGE. In addition, the Contracting Officer will compare the quoted price to orders found on FPDS for similar requirements and the price list on GSA, previously determined to be fair and reasonable.

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

Market research disclosed several VA J&As posted within a 12 month period to FedBizOpps (FBO) limiting competition to the OEM Omnicell that further supports there are no SB/SDVOSB/VOSB sources of supply. Potential vendors were researched but none met the specific criteria required by Physicians and Staff at VANCHCS. Given the unique specifications of equipment, the VANCHCS Program Team found only one (1) source is able to fulfill this requirement; Omnicell.

In addition to the market research conducted by the VANCHCS Program Team and in accordance with FAR Part 10 intensive market research was conducted by PCAC. Searches were conducted through mandatory sources, GSA, VetBiz, SBA, and FBO. The following details the results of this market research:

**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. The MSPV for Chico is Cardinal Health. A search using Cardinal Health as the Contractor shows they do not provide this equipment on their MSPV contract. MSPV is not an appropriate source at this time.

**GSA eLibrary:** <https://www.gsaelibrary.gsa.gov/ElibMain/home.do>. A search for "V797D30111" led to the brand name Omnicell Inc (OEM) GSA contract vehicle. The category is 65 II A (Medical Equipment and Supplies) further searching "cabinet" provides sub category A-84 and applying the SDVOSB and VOSB filters was conducted. This provided eleven (11) vendors. From these results all vendors were contacted via email (Attachment Email – GSA). Zero (0) vendors responded as being able to meet the specifications of the requirement.

**GSAXcess:** <https://gsaxcess.gov/>. A search for pharmacy dispensers and pharmacy cabinets produced zero results for this equipment. The conclusion of this search effort is that GSA is not a source for acquiring this equipment at this time. (Attachment – GSAXcess).

**ECAT:** <https://www.medical.dla.mil/WAM/Home/consent/>. This requirement includes installation services. Installation cannot be ordered on ECAT. ECAT is not a required source. ECAT is not an appropriate source for this requirement at this time.

**SDVOSB/VOSB Sources via VetBiz (VIP):** In Accordance with VAAR Subpart 819.7004, 819.7005, 819.7006 - <https://www.vip.vetbiz.va.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 339112 (this search provided 248 SDVOSB and 53 VOSB results). From these results, all vendors were contacted via email (Attachments Email - SDVOSB and Email - VOSB). Zero (0) vendors responded as being able to meet the specifications of the requirement.

**Small Business Administration (SBA) – Dynamic Small Business Search (DSBS):** [http://dsbs.sba.gov/dsbs/search/dsp\\_dsbs.cfm](http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm). SBA DSBS market research was conducted utilizing NAICS code 339112 and the keyword "pharmacy" and produced thirty (30) results. Another search using NAICS code 339112 and the keyword "dispenser" produced four (4) results; Another search using NAICS code 339112 and the keywords "cabinet" and produced twenty-four (24) results; These vendors were contacted via email (Attachment Email - SBA). Zero (0) vendors responded as being able to meet the specifications of the requirement.

**FBO Intent to Sole Source:** A Notice of Intent to Sole Source was published to Federal Business Opportunities (FBO) on July 10, 2018 (Attachment – S03 - FBO – 36A77618Q9089). Zero (0) vendors responded as being able to meet the specifications of the requirement.

**Omnicell Inc.:** Omnicell Inc. was contacted via email to determine if they have any authorized distributors. The Omnicell POC confirmed Omnicell is the sole manufacturer, developer, and exclusive provider of Omnicell products. Omnicell does not have authorized distributors. (Attachment – Omnicell – Sole Source Statement).

**MARKET RESEARCH FINDINGS**

Vendor	DUNS	Socioeconomic Category	Authorized by OEM
Omnicell Inc.	805412665	Other than Small	OEM

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

Based on the previous sections and market research efforts, it has been determined Omnicell Inc. is the sole source for this requirement. Other than those outline in paragraph five (5), there are no further facts supporting the use of other than full and open competition.

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

No sources expressed, in writing, an interest in this acquisition.

**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:**

To remove or overcome any barriers to competition before future acquisitions for the same supplies and services are conducted, at the system's end of life, the VA will ensure extensive market research is performed in a timely manner to evaluate vendor capabilities with the intent of opening competition to all brands of pharmacy dispensers that can potentially meet the Government's requirements. The estimated lifecycle of the pharmacy dispenser system is approximately seven (7) years. At the end of the lifecycle, the market is evaluated to determine the best path for reprourement whether it is system upgrade (if the system allows for upgrades) or, if upgrades are not possible, complete replacement of the platform based on the Government's needs at the time.



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

- 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.

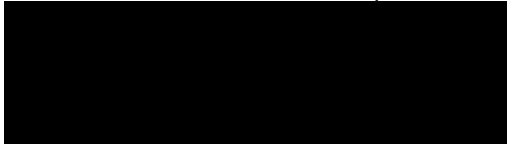


Donald Black  
Site Manager  
VANCHCS

\_\_\_\_\_  
Date

**13. Approvals in accordance with the [VHAPM Part 806.3 OFOC SOP](#):**

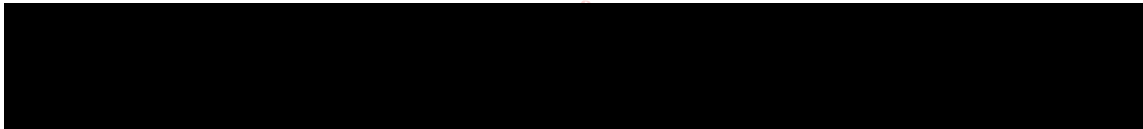
- a. **Contracting Officer or Designee's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



Michelle Rhodes  
Contracting Officer  
Program Contracting Activity Central

\_\_\_\_\_  
Date

- 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.



Grace Kelly Burnsworth  
Branch Chief  
Program Contracting Activity Central

\_\_\_\_\_  
Date