

LIMITED SOURCES JUSTIFICATION

ORDER >SAT

FAR PART 8.405-6

Acquisition Plan Action ID: VA261-18-AP-5606

- 1. Contracting Activity:** Department of Veterans Affairs, VISN 21, Northern CA Healthcare System, 2237 number 612-18-2-146-0009.
- 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](#)) and will be awarded as a new requirement.

Order against: ☒ FSS Contract Number: V797D-30111

Name of Proposed Contractor: Omnicell, Inc.

Street Address: 1201 Charleston Road

City, State, Zip: Mountain View, CA 94043-1337

Phone: 951-653-2081

3. Description of Supplies or Services:

The estimated value of the proposed action is \$2,922,272.16.

This requirement is for Omnicell-brand automated medication dispensing cabinets and related hardware such as cabinets, drawers and organizers.

(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;

VANCHCS is currently using legacy Carefusion Pyxis technology that is running unsupported operating systems for both the medication cabinets and server hardware

at the Mather Medical Center and Martinez Outpatient Clinic (OPC) for inpatient services only. The VANCHCS also runs on Omnicell technology at the new 4th floor Med Surg Unit at the Sacramento VA Medical Center and at Mather Medical Center and Martinez OPC for outpatient services. The VANCHCS is currently using newly installed enterprise infrastructure for Omnicell which has all old legacy and newly installed Omnicells running from it. The installed infrastructure from Omnicell is supporting all VANCHCS Omnicells, both Supply and Medication.

Functioning on two separate systems creates two separate drug libraries for each site for each system, so supporting three sites would create six drug libraries which is impossible for existing pharmacists to manage and to update with current staffing levels. Managing multiple drug libraries increases the risk of error for each additional instance and doubles the work for pharmacy to update the libraries and keep them current. Running two separate systems also doubles the service contract cost as much of the cost is related to supported 24/7 server infrastructure support and after hours technical assistance; this accounts for roughly \$70K for each system per year. Pharmacy and Nursing staff would also have to have additional training for two systems causing problems for their efficiency. Pharmacy staff would have two computers on their desk to manage the pharmacy systems instead of just one for a single system.

The purpose of this acquisition is to complete the replacement of all legacy medication cabinets and infrastructure at the VANCHCS.

Omnicell software is currently enmeshed into the VA infrastructure and is currently being used at the Mather Medical Center and Martinez Outpatient Clinic and in the Medical Surgical Unit at the Sacramento VA Medical Center. Only Omnicell hardware can be used with the newly installed software/infrastructure and the interfaces. To use hardware from any other manufacturer would require purchasing different software, equipment, and infrastructure and incorporating it into the VANCHCS system. There is already existing Omnicell server/infrastructure and software in place and existing Omnicell equipment valued at approximately \$557,000. This procurement is for additional cabinets and hardware that will connect to the existing Omnicell server platforms. If a new system were put in place, it would require at least six months of implementation/testing with national pharmacy interfaces and at least \$557,000 to replace the existing software and new cabinets/equipment. In addition, existing cabinets would need to be replaced estimated at an additional cost of over \$1 million.

Omnicell is the sole manufacturer and exclusive provider of Omnicell products and support services for the Omnicell equipment in the United States; they do not have authorized distributors to provide the required products and or services for Omnicell procurements. Omnicell does not contract products and or services to third parties, therefore there are no other sources capable of meeting the requirement.

☐ 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:

The pricing for any supplies and/or services provided under a delivery order to the GSA contract have already been determined fair and reasonable by the Government. In addition, additional discounts will be requested from the vendor in accordance with FAR 8.405-4.

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

The GSA website was searched for other sources and none were found that can provide Omnicell equipment. There are other GSA sources for medical dispensing cabinets. However, as noted above, due to the VANCHCS implementing Omnicell server infrastructure, only Omnicell equipment could be purchased. A Sources Sought was published in FedBizOpps on May 9, 2018 with a response date of May 16, 2018. There was no response from any source other than Omnicell, who responded on May 11, 2018 stating that they were interested and that they were the sole manufacturer and exclusive provider of Omnicell products and support services.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION: None.

(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: For future acquisitions, VA contracting and other staff will continue to conduct appropriate market research to determine if sources capable of meeting the agency's requirement(s) are available in the marketplace. In addition, in the future, the Government will insure that the AMD system is replaced in one procurement (software and equipment for all locations within the VAMC) rather than procuring the software and equipment separately.

(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.

9/20/2018

SIGNATURE

DATE

Tocher Kellom

Biomedical Engineer

Engineering & Facilities Mgmt.

NAME

TITLE

SERVICE LINE/SECTION

VA Northern CA Healthcare System - Mather

FACILITY

(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.

CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

DATE

Ron Donez, Contracting Officer

NAME AND TITLE

VISN 21

FACILITY

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.

SIGNATURE

DATE

Don Neal

NAME

NCO 21, Chief, Supply Branch 1

21 SEP 18

SIGNATURE

DATE

Brooke C. Robison

NAME

Director of Contracting, NCO 21

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.

Curtis M. Jordan
Acting Executive Director, SAO West
Head of Contracting Activity (HCA)

DATE