

**LIMITED SOURCES JUSTIFICATION**

**ORDER >SAT**

**FAR PART 8.405-6**

**Acquisition Plan Action ID: 36C256-18-AP-3184**

**1. Contracting Activity:** Department of Veterans Affairs, VISN 16, Southeast Louisiana Medical Center, Surgery Service  
NCO 16 DIV II Supply Team – 502  
629-18-3-106-0069

**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](#)).

Order against: ☒ FSS Contract Number: \_\_\_\_V797P-2065D\_\_\_\_\_  
Name of Proposed Contractor: Olympus America, Inc

Street Address: 3500 Corporate Parkway

City, State, Zip: Center Valley, PA 18034

Phone: 901-359-6830

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

This is a request for other than full and open competition for a follow-on flexible scope lease agreement that is the result of a VHA policy to standardize and lease scopes rather than purchase for their Outpatient Urology Clinic. The Southeast Louisiana Veterans Health Care System, VA Medical Center, New Orleans, Louisiana is requesting a base year (12 month) solicitation pursuing a vendor/contractor to provide the following scopes and supporting items on a lease agreement for a base year and 2 additional year options. An integrated product team has determined that national standardization creates best value, enhances the safety and quality of patient care, and results in reduced variability in the number of different processes required for endoscope setup, use, and reprocessing, thus reducing the potential for negative patient outcomes and errors.

a. CYF-VH	HD CYSTO-NEPHRO VIDEOSCOPE	2ea
b. CV-190	EVIS EXERA III VIDEO system center	2ea
c. CLV-190	EVIS EXERA III LIGHT SOURCE	2ea
d. OEV-262H	HIGH DEFINITION MONITOR	2ea

## Attachment 2: Request for Limited Sources Justification Format &gt;SAT

e. K10021612	WM-NP2 WORKSTATION SI STANDARD SET	2ea
f. 13839	Aptimax Sterrad Sterilization Tray	15ea
g. 99239	APTIMAX STERRAD Ster. Tray Mat	15ea
h. UPDR-80MD	Sony dye-sublimation printer with USB	2ea
i. 550015EFS	X-15 ELITE FOOTSWITCH	2ea
j. 550015E	120 WATT ELECTROSURGICAL GENERATOR	2ea
k. MAJ-885	PRINTER CABLE SET B FOR CV-160	2ea
l. MAJ-1945	DVI CABLE 3M	2ea
m. CD-6C-1.B	MAIN BODY ONLY COAG ELECTRODE	10ea
n. MAJ-860	A-CORD FOR VALLEY ERBE BOVIE	10ea
o. MAJ-854	REMOTE CABLE CV-160 FOR SVR PRINTER	2ea
p. HDVC-12-1	12FT HD-SDI CABLE	4ea
q. IMH-20	IMH-20 OLY HD RECORDER 500GB DUAL CHANNEL	2ea
r. A2421	FLEXCYSTO GRASP FORCEP-ALLIGATOR	15ea
s. A2423	FLEXCYSTO BIOPSY FORCEP-STANDARD	10ea

Base Period (12 Months) [REDACTED]

Option Period 1 (12 Months) [REDACTED]

Option Period 2 (12 Months) [REDACTED]

The estimated value of the proposed action is [REDACTED]

**(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; VHA Policy has been established by the Deputy Undersecretary for Health for Operations and Management that all facilities must standardize on a specific scope lease contract. The objective of the national standardization was to mitigate the risk of different processes for cleaning and handling. The current competencies, equipment, training, and procedures are specific to the products utilized in the outpatient clinic. Replacing the existing equipment is not necessary since it is the latest technology on the market; as well as, it has only been utilized for 14 months. A full range lease agreement prevents patient care stoppage during the medical center activation.

☐ 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.  
VHA Policy has been established by the Deputy Undersecretary for Health for Operations and Management that all facilities must standardize on a specific scope lease contract. The Southeast Louisiana Veterans Health Care System has since standardized on Olympus scopes. The objective of the national standardization was to mitigate the risk of different processes for cleaning and handling. Therefore, SLVHCS has further standardized processes and procedures for cleaning scopes. The current competencies, equipment, training and procedures in place at Southeast Louisiana Veterans Health Care System are specific to the Olympus products.

**(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:**

This procurement is consistent with the Integrated Product Team, which was tasked with development of requirements for the national standardization of scopes throughout VHA to facilitate device standardization in order to reduce variability in endoscope processing and use. The integrated product team has determined that national standardization creates best value, enhances the safety and quality of patient care, and results in reduced variability in the number of different processes required for endoscope setup, use, and reprocessing, thus reducing the potential for negative patient outcomes and errors. The repair, maintenance and equipment upgrades will be easier to maintain with just one vendor. This will help reduce the variety of instruments and thus the number of SOP's for setup and reprocessing of medical equipment. The repair, maintenance and equipment upgrades will be easier to maintain with the current vendor and will provide for ease of transition to avoid affecting patient care. The renewal and singular contract for Urology scope and equipment will help eliminate the development of a new SOP for sterilization and staff training. The anticipated price to the Government for the base period and each concurrent option period is based on the established FSS contract price which is compared and monitored by the NAC and VAOIG against Olympus' tracking customer pricing strategy. Tracking customer pricing ratios have been determined by the NAC and VAOIG to be considered fair and reasonable pricing.

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

Market research was limited to only FSS items. Research confirmed the Olympus lease to be in compliance with the national Standardization Mandate. Contact was made with Olympus contract Manager and field representative to gather current FSS lease terms. Since this is a current lease contract and the price is a fixed amount that has been approved by the VANAC Contracting Officer. Unlike purchase under the FSS, lease is restricted to the manufacturer. No second party distributor is established under the lease terms of the FSS.

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

The continued use and roll over of the medical equipment is in the best interest of the ongoing medical center expansion of the outpatient clinic and end users. SLVHCS is a new medical center, which will allow this program to expand over the next 3 years. There is an 12% expected growth for this specific specialty over the next 3 years. Houston Medical Center will shift to another VISN, which will allow SLVHCS to become the referral center.

**(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:**

The Contracting Office will continue to post Sources Sought notices for these requirements in order to determine market changes in competition for leased endoscopy equipment which will maintain compliance with the VA mandate for standardization.

**(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.)*

_____	May 1, 2018	_____
SIGNATURE	DATE	
Nathan Dion	Administrative Officer	Surgery Service
NAME	TITLE	SERVICE LINE/SECTION
Southeast Louisiana Health Care System		
FACILITY		

**(10) APPROVALS IN ACCORDANCE WITH THE VHAPM Part 806.3 OFOC SOP:** *This part is filled out by Contracting Staff as part of the Justification*

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

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CONTRACTING OFFICER/DESIGNEE'S SIGNATURE

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DATE

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FELICIA LOVELADY  
CONTRACTING OFFICER

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NCO 16 DIV II SUPPLY - 502

**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.

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SIGNATURE

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DATE

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RENATA OTT  
NCO 16 DIV II SUPPLY BRANCH CHIEF