

gm
2012-1009

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6

2237 Transaction # or Vista Equipment Transaction #: 600-12-3-441-0339

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source: Provide original manufacturer's name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer/Contractor: Nellcor Puritan Bennett Incorporated (dba Covidien)
Mfgr/Contractor Address: 675 James S McDonnell Blvd., Hazelwood, MO 63134
Dealer/Rep address/phone number: Michael Cuthbertson, (714) 227-8411

Only Authorized Small Business Dealer with a FSS Schedule:

Marathon Medical
John St Leger
(303) 916-4664
jfs@marathonmed.com
Denver, CO
V797-P-4052B

☒ The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs
VA Long Beach Healthcare System
5901 East 7th Street
Long Beach, CA 90822
22

VISN:

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

Twenty-Three (23) 840 Puritan Bennett ventilators are currently 10 years old. Based on the guidelines of the American Hospital Association ventilators life expectancy shall not exceed ten (10) years. The 840 Puritan Bennett ventilators located in the VA Long Beach Healthcare System is approximately 10 years old and they are obsolete. Due to the age of the 840 Puritan Bennett ventilators, there have been numerous requests for repairs on the 23 ventilators for screen error messages and inoperable GUI. These repairs are due to the age and frequent usage of the 23 ventilators. The estimated cost for these repairs is \$15,500.00 per requested repair service call. These ventilators must be replaced immediately to prevent disruption to critical patient care. These ventilators are in constant utilization by patients with chronic respiratory failure. It is crucial to replace these ventilators before the risk of malfunctions adversely affect patient health.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

The VA Long Beach Healthcare System intends to trade in twenty-three (23) obsolete 840 Puritan Bennett ventilators for credits to purchase twenty-three (23) new upgraded 840 Puritan Bennett ventilators.

(b) ESTIMATED DOLLAR VALUE: \$935,070.98

(c) REQUIRED DELIVERY DATE: Thirty (30) calendar days after receipt of a Purchase Order

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

☒ Specific characteristics of the material that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.

The 840 Puritan Bennett Ventilator has unique features and functions that no other company has in its ventilator. These features and functions are Occlusion Algorithm, Dual screen, Coaching box, I.E Timing Bar, PAV+, Measurement of Work of Breathing for the Patient, Measurement of Intrinsic Peep in the triggering patient, Heated exhalation filter system, 4 hour optional Battery, 72 hours of Trending, Presets in Trending, Automatic Sensitivity and Cycle Adjustment in NIV and Invasive, Disconnect ramp down flow to prevent PEEP shower, Patient volume detection for disconnects, Smart Alarms – tips on what to do, Smart Rise Time – adjusts to changes in compliance and resistance, Patient size safety protection – will not let you switch patient size without redoing SST, Touch Sensitivity patient data parameters for definitions, Touch Sensitive settings key for definitions, and Help menu. Nellcor Puritan Bennett, LLC dba Covidien, Patent No. D656237, holds the proprietary data of the 840 Puritan Bennett ventilator hardware and software.

Over the last ten years, the VA Long Beach Healthcare System has invested significant time and money to train its clinical staff to be proficient in the usage of all the functionalities of the 840 Puritan Bennett ventilators. It is estimated that the cost of the 840 Puritan Ventilator initial and on-going training for the last 10 years for the Bio-Medical training, therapist training and ventilator testing equipment is approximately \$45,000.00. If another manufacturer's ventilators are to be purchased as replacements, over a decade of training will be lost and there will be critical disruptions to patient care as the hospital coordinates the re-training of thirteen (13) respiratory technicians, nine (9) registry respiratory technicians, four (4) pulmonary attending, and nine (9) pulmonary fellows. Due to hiring constraints, staffing is currently operating at a bare minimum level. These costly and unnecessary trainings will add unwarranted stress, be a detriment to the clinical staff's productivity, and ultimately compromise direct patient care.

☒ A patent, copyright or proprietary data limits competition. The proprietary data is:

The 840 Puritan Bennett ventilator's software was developed and can only be manufactured by Nellcor Puritan Bennett dba Covidien. Nellcor Puritan Bennett, LLC dba Covidien, Patent No. D656237, holds the proprietary data of the 840 Puritan Bennett ventilator hardware and software. There is only one (1) small business FSS schedule holder authorized to sell the upgrade 840 Puritan Bennett ventilators.

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

Replacement of the 840 Puritan Ventilators is urgently required since the equipment is 10 years old and it is obsolete. Repairs of the ventilators are frequent due to the age of the current 840 Puritan Bennett ventilators. The estimated cost is \$15,500.00 per requested repair service call.

☐ The material 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.

There is no compatible concern; therefore, this is "Not Applicable."

☐ 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.

There is no new work required; therefore, this is "Not Applicable."

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

Not Applicable.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

It is in the best interest to the VA to process and order of 23 upgraded 840 Puritan Bennett, in accordance with FAR 8.4 – Federal Supplies Schedule. Only 1 authorized small business schedule holder can provide the required 23 upgraded 840 Puritan Bennett with trade-in credit. FAR 8.002, provides the prioritized list of Government supply and services sources. According to those priorities, agencies shall satisfy requirements for supplies and services from GSA Schedules in preference to commercial (open-market) sources. By processing this order, the VA has complied with the requirements of FAR 8.002.

The 840 Puritan Bennett ventilators can be used with an intubated or non-intubated patient. This device is the only one on the market with Proportional Assisted Ventilation (PAV+) which amplifies the patient's own spontaneous effort to breathe by increasing airway pressure during inspiration. Patient care will not be compromised since there will be consistency between the Long Beach VA staff, the registry RT staff and the training of MDs in the pulmonary fellowship.

The following are pricing found in the FSS Schedule from Nellcor Puritan Bennett dba Covidien:

<u>Item No.</u>	<u>Description</u>	<u>Part No.</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extended Price</u>
1	840 Puritan Bennett with Color Screen, Oxygen Analyzer, Drainage Vial, Includes 1-Year Warranty and 1	8401120EMC	23	\$23,100.00	\$531,300.00

	year preventive Maintenance				
2	840 Puritan Bennett Ventilator – Respiratory Mechanics 840 Software Option	10019218	23	\$1,363.00	\$31,349.00
3	840 Puritan Bennett Ventilator – Trending 840 Software Option	10020408	23	\$1,348.50	\$31,015.50
4	840 Puritan Bennett Ventilator – Leak Comp Software Option	10035870	23	\$800.00	\$18,400.00
5	840 Puritan Bennett Ventilator – Cylinder Bracket, Compressor Cart	10045586	23	\$137.00	\$3,151.00
6	840 Puritan Bennett Ventilator – Humidifier Kit, Compressor Cart	10045589	23	\$38.00	\$874.00
7	840 Puritan Bennett Ventilator – Compressor-Mount Cart with 4 hours BPS (New PB840 Cart with 4 hour battery option)	10046823	23	\$2,650.00	\$60,950.00
8	840 Puritan Bennett Ventilator – Ped-Adult Vent Gui Label	10054699	23	\$5.00	\$115.00
9	840 Puritan Bennett Ventilator – Bi-level Software Option.	4-076064-00	23	\$1,585.82	\$36,473.86
10	840 Puritan Bennett Ventilator – 806 Compressor	4-076330-00	23	\$3,018.63	\$69,428.49
11	840 Puritan Bennett Ventilator – Tube Compensation Option	4-076371-00	23	\$1,034.94	\$23,803.62

	Respiratory				
12	840 Puritan Bennett Ventilator – Volume Ventilation Plus Option	4-078126-00	23	\$1,396.37	\$32,116.51
13	840 Puritan Bennett Ventilator – PAV+ Option Package Kit	4-078203-00	23	\$3,376.00	\$77,648.00
14	1 Yr 840 Platinum all inclusive repair and PM parts (including batteries and oxygen sensors), PM Parts (2 PM), Labor Travel	7-0084014-PRM	23	\$1,302.00	\$29,946.00
	TRADE-IN	4-PBTRAD-T	23	(\$500.00)	<u>(\$11,500.00)</u>
	TOTAL				<u>\$935,070.98</u>

The pricing found in FSS is discounted from the commercial pricing available to the general public. Therefore, it is the best value to process and order this request for (23) 840 Puritan Bennett ventilators in accordance to FAR 8.4.

(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 conducted among the schedule holders, the Contracting Officer discovered one authorized small business dealer that could provide a quote on the 840 Puritan Bennett ventilators.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

There are no other facts supporting the justification.

(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:

Barriers can be removed if advance training be provided for another approved ventilator without jeopardizing direct patient care while the clinical staff is in training on the new approved equipment.

(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.)

Cynthia Vincent
SIGNATURE

8-27-12
DATE

CYNTHIA VINCENT

Manager, Reg. Care Services
TITLE

Medical HCB / Reg. Care Services
SERVICE LINE/SECTION

Long Beach - VISN 22
FACILITY

(10) **APPROVALS IN ACCORDANCE WITH FAR 8.405-6(d):**

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

Maria Cruz-Thompson
MARIA CRUZ-THOMPSON, CONTRACTING OFFICER

8/27/2012
DATE

c. **NCM/PCM/DESIGNEE:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Kevin Blanchard
KEVIN BLANCHARD
HCM
NETWORK CONTRACTING OFFICE (NCO) 22

8/29/12
DATE

HIGHER LEVEL APPROVAL (Required For orders over \$500,000):

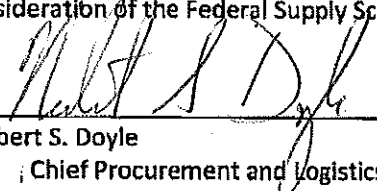
e. **SAO:** I certify the justification meets requirements for restricting consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.

Delia Adams
SIGNATURE

9/17/12
DATE


FOR: DELIA ADAMS
DIRECTOR, SAOWEST

f. **VHA HCA REVIEW AND APPROVAL (over \$500,000 to \$10 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



Norbert S. Doyle
; Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

DATE



9/18/12