

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6(g)

2237 Transaction # or Vista Equipment Transaction #: 693-12-4-179-0508

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service 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: Aethon, 100 Business Center Drive, Pittsburgh, PA 15205

Manufacturer/Contractor: Aethon Inc

Manufacturer/Contractor POC & phone number: Kevin Selp (kselp@aethon.com) 215-531-2254

Mfgr/Contractor Address: 100 Business Center Drive, Pittsburgh, PA 15205

Dealer/Rep address/phone number: n/a

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

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs

Wilkes Barre Medical Center

1111 East End Boulevard

Wilkes Barre, PA 18711

VISN:

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

A limited sources justification to purchase eight robotic delivery systems to transport medications, laboratory specimens, meal trays, and supplies to patient care areas. Two robots are being requested for Pharmacy Service, two for Logistics Service, two for Pathology and Laboratory Medicine Service, and two for Nutrition and Food Services. Pharmacy service will use the robots to transport medications to the clinics/wards throughout the Medical Center. Logistics Service is requesting two robots to transport expendable supplies for both scheduled and on-demand deliveries throughout the Medical Center. Pathology and Laboratory Medicine Service will use the robots to deliver specimens. Due to increased volume and a reduction in staff, they require several deliveries to the laboratory from outpatient phlebotomy areas and patient floors areas for stat draws. Additionally, within the laboratory specimens need to be delivered within the department to various areas. Nutrition and Food Services will use the robots to deliver patient late trays to units in between regular meal times and to send patient nourishments and other food and beverage items as needed to nursing unit in the Medical Center and Community Living Center.

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

Eight robotic delivery systems that possess the following salient characteristics: ability to transport items for delivery, including medications and medical and non-medical supplies, ability to securely carry medication without chance of theft, capability to make deliveries at scheduled and unscheduled times, ability to navigate a multi-level facility, including the use of elevators, possesses a warning systems or some other type of technology to prevent harm to pedestrians, and must be trackless and wireless.

(b) ESTIMATED DOLLAR VALUE: _____

(c) REQUIRED DELIVERY DATE: 29 July 2012

(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 or service 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.

Aethon is only company that offers a robotic delivery system that meets all of the characteristics identified above in 3(a). TUG, Aethon's Automated Robotic Delivery System (ARD), can transport scheduled and on-demand deliveries of all bulk material, medications, and meals between all ancillary support, and patient care units. TUG can be summoned with the press of a computer key, and is the only unescorted vehicle system that can reliably negotiate through hallways, elevators, automatic doors, and narrow aisle-ways with human traffic. With its patented navigation system, TUG does not require embedded wires, magnetic strips, tracks or chemically-applied path routes, unlike Automatic Guided Vehicles (AGV's) primarily used in warehouse applications. Aethon has six patents for robotic delivery systems. There are no other items available from the mandatory use Veterans Affairs (VA) National Acquisition Center (NAC) Federal Supply Schedules (FSS) that will meet the minimum requirements of the Government.

(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:

The Aethon TUG system is the only item available that will meet the Government's needs. The item is available from a mandatory source, and the pricing has already been determined to be fair and reasonable.

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

A sources sought noticed was posted on GSA e-Buy to VA NAC FSS Schedule 65 II A holders with the following categories: A-83 Carts, Medical Supplies, Patient Application, A-92 Medication and Supply Packaging and Dispensing Equipment and A-94 Introduction of New Products under 65 II A, Medical Equipment and Supplies. The noticed was posted on 19 April 2012 and responses were due by 30 April 2012. In total two responses were received. Aethon replied indicating their TUG robot delivery system was capable of meeting all the required characteristics. Automated replied indicating they were interested; however, when ask to specify the item that would meet the required characteristics, they indicated they misunderstood the requirement and only supplied medication dispensing equipment. Automated submitted a "no bid, do not carry these items" response on 30 April 2012.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

VA medical centers throughout the country have been successfully using the TUG robotic delivery system for the past few years. The system will benefit several services throughout the Medical Center.

Pharmacy Service will use the delivery system to help delivery medications expeditiously and alleviate staff work overload. Pharmacy Service anticipates that the system will increase customer satisfaction, both internally and externally by providing quicker delivery service. Logistics Service will use the robots to transport both medical and non-medical supplies throughout the Medical Center, which will result in improved efficiency, reduced costs, enhanced patient care, and a streamlined internal supply chain. Pathology and Laboratory Medicine Service will use the robot delivery system for specimen transports which will improve turn-around time. Nutrition and Food Services anticipates increased patient satisfaction with service due to efficiency and reduced delivery times, as well as alleviating unnecessary staff time that could be better spent in other areas, such as the kitchen. See attached for a summary of the benefits provided by Aethon and actual users of the system, including the University of Maryland Medical Center, Sinai Hospital and FirstHealth Moore Regional Hospital.

(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:

If a new robotic delivery system is needed in the future, the ordering activity will review the mandatory supply sources to determine if new systems have become available.

(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.

SIGNATURE

DATE

Joseph Sharon
NAME

Chief, Pharmacy
TITLE

Pharmacy Service
SERVICE LINE/SECTION

Wilkes Barre VAMC
FACILITY

SIGNATURE

DATE

Joseph McDaniels
NAME

Acting Chief, Logistics Service
TITLE

Logistics Service
SERVICE LINE/SECTION

Wilkes Barre VAMC
FACILITY

SIGNATURE

DATE

Melissa Novak
NAME

Chief, Nutrition and Food Services
TITLE

Nutrition and Food Services
SERVICE LINE/SECTION

Wilkes Barre VAMC
FACILITY

SIGNATURE

DATE

7-16-12

Howard R. Nash, M.D.
NAME

Chief, Pathology and Laboratory Medicine Service
TITLE

Pathology and Laboratory Medicine Service
SERVICE LINE/SECTION

Wilkes Barre VAMC
FACILITY

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

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'S SIGNATURE

DATE

Rachel A. Turk, Contracting Officer
NAME AND TITLE

Wilkes Barre VAMC
FACILITY

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

SIGNATURE

DATE

H.F. BYRNS

Daniel E. Zelasko

WSN 4, Acting Deputy Network Contract Manager

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

c. **SAD:** 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.

SIGNATURE

DATE

David M. Fitzgerald
DIRECTOR, SAO EAST

30 July 2012

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

NAME

Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

DATE

9/24/12

g. **VA Deputy Senior Procurement Executive Approval (\$10 million not to exceed \$50 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

IRIS B. COOPER

Deputy Senior Procurement Executive (DSPE)

DATE

h. **VHA Senior Procurement Executive Approval (over \$50 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 other than full and open competition.

JAN R. FRYE

Deputy Assistant Secretary
Office of Acquisition and Logistics
Senior Procurement Executive (SPE)

DATE