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**LIMITED SOURCES JUSTIFICATION**

**ORDERS >\$3,000**

**FAR PART 8.405-6(g)**

**2237 Transaction # or Vista Equipment Transaction #: 539-11-4-220-0120**

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:** 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: Olympus America Incorporated

Manufacturer/Contractor POC & phone number: Steve Wendt 484-896-5436

Mfgr/Contractor Address: 3500 Corporate Parkway, Center Valley, PA 18034-0610

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  
Network Contracting Office (NCO) 10  
VISN 10 Healthcare System of Ohio  
11500 Northlake Drive # 200  
Cincinnati, Ohio 45249-1655

VISN: 10

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

Negotiations shall be conducted to procure leases with Olympus America Incorporated for medical scopes and related equipment. Circumstances require that this will be done without the benefit of full and open competition. The proposed contract vehicle shall be a delivery/ task order based on Olympus America's Federal Supply Schedule (FSS) with a period of 3 years. VISN 10 has already acquired multiple Olympus Endoscopes and this lease will align the VISN with the national mandate.

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

The VISN 10 Healthcare System requires the lease of Olympus America, Inc. Medical Scopes related equipment. The lease will be done via a delivery/task order off the vendor's FSS contract. VISN 10 has already acquired multiple Olympus Endoscopes and this lease will align the VISN with the national mandate. This is mandated by VA Central Office memo entitled VHA National Standardization of Endoscopes dates, December 6, 2010.

**(b) ESTIMATED DOLLAR VALUE:** \$2,215,129.06

**(c) REQUIRED DELIVERY DATE:** 10/01/2012

**(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. (CHECK ALL THAT APPLY AND COMPLETE)**

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.

A. Under 8.405-6(b)1, the use of limited sources procedures for FSS schedules may be used when only one source is capable of responding due to the unique or specialized nature of the work. In the past VISN 10 had simply purchased this equipment but due to standardization and technology demands, VISN 10 must now lease their equipment. Under VHA Directive 2009-004 Use and Reprocessing of Reusable Medical Equipment (RME) in Veterans Health Administration Facilities and VHA Handbook 1761.1 Standardization of Supplies and Equipment, VHA authority has mandated that standardization of equipment, processes and procedures be implemented immediately to ensure patient safety and health. In addition, the December 10, 2010 memo from the Deputy Undersecretary for Health Operations and Management (DUSHOM)(10N) outlines guidance for VHA standardization of Endoscopes (WebCIMS No.451818). This memo states that the Integrated Product Team established in 2010 has deemed leasing to be the preferred method of procurement to achieve standardization as it presents the VA the ability to standardize with greater efficiency, be flexible with new

technology and accurately predict future maintenance costs and that Medical Centers should immediately pursue agreements with one of three FSS contractors.

VISN 10 has already begun standardizing itself on Olympus due to rapid changes in technology, to provide the least variance in quality of care and cleaning processes and minimize risk to patient safety. Also, the GI and operating room physicians are currently trained in the operation of Olympus equipment. Further, Olympus scopes offer technology which is most conducive with physician training and equipment operation. Therefore, the leasing of this brand would facilitate standardization in operating and cleaning processes. By using scandalized equipment and processes, the goals of VHA Directive 2009-004 and 1761.1 can be more easily accomplished. This standardization of one brand of scopes would also facilitate consistent Standard Operating Procedures (SOP) to be written annually (in accordance with VHA Directive 2009-004).

Furthermore, this acquisition implements the December 10, 2010 memo from the Deputy Undersecretary for Health Operations and Management (DUSHOM) (10N) memo which outlines guidance on the VHA National Standardization of Endoscopes (WebCIMS No. 451818. In accordance with the DUSHOM memo, this procurement is consistent with the recommendation of the VHA Office of Procurement and Logistics (10F) Integrated Product Team (IPT), which was tasked with the development of requirements for the national standardization of endoscopes throughout Veterans Health Administration to facilitate device standardization in order to reduce variability in endoscope processing and use.

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

N/A

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

The Olympus endoscopes are currently the primary scope being utilized throughout VISN10 Medical Centers and as a result any new procurement must be compatible and interchangeable with existing equipment. The parts are interchangeable and the workload of repairing/maintaining each machine is beneficial for less down-time and delay in direct patient care.

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.

N/A

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.

N/A

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

N/A

**(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:**

Veterans Affairs Central Office has mandated the standardization of medical scopes through the leasing of this equipment. VACO has also selected the vendor(s) that must be utilized. The contracting officer will ensure that products that are to be provided are consistent with GSA pricing. In accordance with 8.401(s)(d) GSA has determined pricing to be fair and reasonable.

VISN 10 has already begun standardizing itself on Olympus due to rapid changes in technology, to provide the least variance in quality of care and cleaning processes and minimize risk to patient safety. Also, the GI and operating room physicians are currently trained in the operation of Olympus equipment. Further, Olympus scopes offer technology which is most conducive with physician training and equipment operation. Therefore the leasing of this brand would facilitate standardization in operating and cleaning processes. By using standardized equipment and processes, the goals of VHA Directive 2009-004 and 1761.1 can be more easily accomplished. The standardization of one brand of scopes would also facilitate consistent Standard Operating Procedures (SOP) to be written annually (in accordance with VHA Directive 2009-004).

Furthermore, this acquisition implements the December 10, 2010 Deputy Under Secretary for Health for Operations and Management (DUSHOM) (10N) memo which outlines guidance on VHA National Standardization of Endoscopes (WebCIMS No. 451818). In accordance with the DUSHOM memo, this procurement is consistent with the recommendation of the VHA Office of Procurement and Logistics (10F) Integrated Product Team (IPT), which was tasked with the development of requirements for the national standardization of endoscopes.

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

VACO had mandated the standardization of scopes through the leasing of this equipment. VACO has also selected the vendor(s) that must be utilized. VISN 10 has already acquired multiple Olympus Endoscopes and this lease will align the VISN with the national mandate.

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

N/A

**(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:**

N/A

**(9) REQUIREMENTS CERTIFICATION:** I certify that the requirement outlined in this justification is a bonafide 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.)*

Karen S. Williams                      5-31-2012  
SIGNATURE    DATE

Karen S. Williams                      Network 10 Material Manager    Logistics  
NAME    TITLE    SERVICE LINE/SECTION

VISN 10  
FACILITY

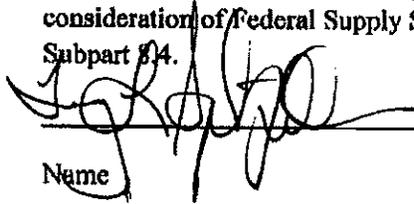
**(10) APPROVALS IN ACCORDANCE WITH FAR 8.405-6(h):**

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

Ronald T. Heideman                      5-31-2012  
CONTRACTING OFFICER'S SIGNATURE                      DATE

Ronald T. Heideman, Contracting Officer                      Network Contracting Office  
NAME AND TITLE    FACILITY

b. **NCM/or Designee** : 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.

  
\_\_\_\_\_  
Name

July 28, 2012  
\_\_\_\_\_  
DATE

TERRY L. SPITZMILLER  
NETWORK CONTRACT MANAGER  
NETWORK CONTRACTING ACTIVITY 10  
VA HEALTHCARE SYSTEM OF OHIO

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

c. **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.

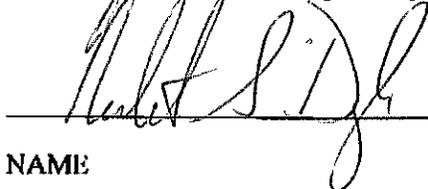
  
\_\_\_\_\_  
SIGNATURE

9/5/12  
\_\_\_\_\_  
DATE

NAME

Rick L. Lemmon  
Acting SAO Director  
SAO Central Region

d. **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

9/18/12  
\_\_\_\_\_  
DATE

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