

**DEPARTMENT OF VETERANS AFFAIRS  
NATIONAL ACQUISITION CENTER (NAC)  
Justification and Approval  
For  
Other Than Full and Open Competition  
Project: A-Frame Upgrade**

1. **Contracting Activity:** Department of Veterans Affairs, National Acquisition Center, requests approval of this justification for other than full and open competition for the services to upgrade A-frames at the Consolidated Mail Outpatient Pharmacies located in the following areas: Charleston, Chelmsford, Hines, Murfreesboro, and Tucson. The purchase request number for this requirement is: 770-13-1-055-0006.

2. **Nature and/or Description of the Action Being Processed:** This request is to open market, sole source services to upgrade A-frame software to Windows 7 utilizing a firm-fixed price contract. This requirement will be sole sourced to Paragon Technologies (SI Handling).

3. **Description of Supplies/Services Required to Meet the Agency's Needs:**

The CMOPs provide outpatient pharmaceutical services to VA Medical Centers and associated community clinics. The CMOPs requesting the software upgrade operate an A-frame which dispenses approximately 60% of the CMOP's workload. Charleston, Chelmsford, Hines, Murfreesboro and Tucson require software upgrade services for the A-frame in order to be compliant with the VA's mandate to upgrade all machines to the Windows7 operating system. The estimated cost of service from the contractor to upgrade the five CMOPs is \$89355. The estimated time for completion for all five facilities is one year from contract award date.

4. **Statutory Authority Permitting Other than Full and Open Competition:** *41 USC §253(c)(1), as implemented by FAR 6.302-1.*

- (X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
- ( ) (2) Unusual and Compelling Urgency per FAR 6.302-2;
- ( ) (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
- ( ) (4) International Agreement per FAR 6.302-4
- ( ) (5) Authorized or Required by Statute FAR 6.302-5;
- ( ) (6) National Security per FAR 6.302-6;
- ( ) (7) Public Interest per FAR 6.302-7;

5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**

In accordance with 41 U.S.C. 253(c)(1), SI Handling is the manufacturer of the A-frame at all five CMOPs and has written proprietary software that interfaces with the rest of the production floor software supported by QMSI. Staying with the current vendor, SI Handling provides a solid

foundation for patient safety and reduces manpower expenditures to conduct vendor research. Establishing a relationship with a new vendor and building a solid support network is not feasible. Due to the fact the software is proprietary going with another vendor could potential bring production to a halt. If another company came in it would take months for them to learn the current system before they could even begin. The A-frames also interface with the QMSI software. If a new vendor were to be picked, additional funds would have to be expended to have QMSI available to make sure everything functions correctly. This would cause a major delay in providing quality service to the Veterans. In addition, the established business relationship provides for a familiarity and understanding which yields both rapid turnaround and flexibility. This sole source request provides benefits not only for the CMOPs, but ultimately to VA, in the form of better patient safety and timely medication delivery. Accordingly, SI Handling is the only vendor capable of providing the supplies and services described in Section III above without the Department of Veteran's Affairs experiencing substantial duplication of cost that could not be expected to be recovered through competition and unacceptable delays in fulfilling its requirements.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Knapp was contacted to provide a proposal for the upgrade. Their proposal was \$328,051.15 to complete the upgrade for all five facilities. This is due to the fact that other contractors must install their own hardware and conduct research to integrate into the SI Baker equipment. This significant increase in costs is not a feasible option.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** IN order to determine price fair and reasonableness, the Contracting Officer will conduct market research to determine the pricing is similar to that which has been paid previously or with other customers outside the agency. This will require the contractors to provide references to similar projects of the same complexity and magnitude. The Contracting Officer will conduct a price analysis to determine fair and reasonable pricing (FAR 6.303-2(a)(7)).
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** See paragraph 6 above
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** A statement of work has been developed and incorporated into the solicitation. The A-Frame was manufactured and installed by SI Baker with no rights provided to the software. The specifications are specific to SI Baker software and hardware. Paragon Technologies now owns SI Baker and is the only company permitted to modify the systems and software. (see FAR 6.302-1(b)(2) and 6.303-2(a)(9)(i)).
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** See Section 6 above.
11. **A Statement of the Actions, if any, the Agency May Take to Remove or Overcome any Barriers to Competition before Making subsequent acquisitions for the supplies or services required:**

When solicitations for equipment with software are created, the Contracting Officer shall include FAR Clause 52.227-14 Unlimited Rights Clause. This will allow Contracting Officers the authority to hire other contractors for maintenance and modification to the system without reprisal.

12. **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 and belief.

*(This signature is the requestor's supervisor, fund control point official, chief of service, someone with responsibility and accountability)*

Roger G. Crabtree  
451045

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Roger Crabtree  
Chief, National CMOP IT Program Branch

12/18/2012

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Name

\_\_\_\_\_  
Date

Title

Facility

13. **Approvals in accordance with FAR 6.304** *This part if 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.

Trower, Nonya

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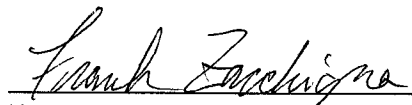
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- b. **NCM/PCM (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.



Name

12/18/12  
Date

Network Contract Manager *Chief*

VISN/PCA-X *CMOP Division*

Title

Facility *WAC*