



September 30, 2012

Sole Source Justification and Approval for Other Than Full and Open Competition  
(Simplified Acquisition Procedures \$2500 TO \$150,000)

Subject: OLYMPUS FLEXIBLE ENDOSCOPE REPAIR

Olympus Flexible Endoscope, Model DUR-D (S/N F08916AB) VA797T-12-P-0210  
Olympus Flexible Endoscope, Model DUR-D (S/N F22985) VA797T-12-P-0192  
Olympus Flexible Endoscope, Model DUR-D (S/N F20064) VA797T-12-P-0191  
Olympus Flexible Endoscope, Model DUR-D (S/N F20289A) VA797T-12-P-0190  
Olympus Flexible Endoscope, Model ICN-0564 (S/N F12717A) VA797T-12-P-0198

1. Identification of the agency and the contracting activity and specific identification of document as a sole source justification for other than full and open competition:

DEPARTMENT of VETERANS AFFAIRS  
Office of Acquisition Logistics and Contracting (OAL&C)  
National Acquisition Center (NAC)/Business Resource Service Center (BRS)  
1<sup>st</sup> Avenue, One Block North of 22<sup>nd</sup> (Cermak) Street  
Building #37  
Hines, IL 60141-0076

This document constitutes a sole source "*Justification and Approval*" for purchases of services, IAW 6.302-1, on behalf of the Department of Veterans Affairs (VA), Service Distribution Center (SDC), Service and Repair (S&R) Department, Building 37, Hines, Illinois, 60141.

2. Nature and/or description of the action being approved:

The VA National Acquisition Center, Business Resource Services, Contingency Contracting Department, Hines, IL 60141 proposes by means of *other than full and open competition*, a need to acquire services and repairs of flexible endoscope models, DUR-D, and ICN-0564 to be performed by original equipment manufacturer (OEM), Olympus America Inc.; to include, factory original repair parts, labor and shipping.

3. A description of the supplies or services required to meet the agency's needs:

This acquisition derives from the fundamental nature, mission and objectives of the program office (VA, SDC, and S&R Department), who provides a service to VA Hospitals around the country, and some DOD facilities, state side and abroad. The SDC, S&R Department provides non warranty services and repairs for various medical equipment, including but not limited to flexible endoscopes. Flexible endoscopes are known as critical diagnostic equipment utilized in various medical procedures and is a valuable tool in providing direct patient care. Relevant to

the above stated equipment, for those services and/or repairs that cannot be accomplished in house by VA personnel, they are outsourced to Olympus.

4. An identification of the sole source rationale and statutory authority permitting a sole source acquisition:

This is a specific service provider requirement under the authority of 41 U.S.C. 253 (c) (1) as stated in FAR 6.302-1, "*Only one responsible source and no other supplies or services will satisfy agency requirements.*"

*Rationale:* Olympus America Inc. has patent rights and proprietary ownership of their products, parts, services and does not authorize a third party service dealer or retailer to service and/or resale their equipment or parts. As a result, the VA Hines SDC, S & R Department has a *Bona Fide* need to acquire on a sole source basis, services and repairs of Government owned flexible endoscopes; from Olympus America Inc.

5. A determination by the contracting officer (CO) that the anticipated cost will remain fair and reasonable:

Prices were verified to be consistent with Contractor's commercial price list for services and repairs of the DUR-D and ICN-0564 flexible endoscopes.

6. A description of the market research conducted and the results of the research, or a statement why market research was not conducted:

Market research was conducted and it was determine due to the unique nature of subject flexible endoscope's repairs and proprietary elements of the services and repairs; Olympus America Inc. is the only viable option to provide the required services and repairs to ensure strict adherence to manufacturer's specifications.

7. Any other facts supporting the sole source justification:

Other sources, although capable of services and repairs, cannot obtain OEM manufacturer's parts and diagnostic equipment necessary to restore equipment to 100% functionality and to ensure adherence to manufacturer's specifications. In addition, Olympus' parts and repair service are proprietary to Olympus America Inc. and are not releasable to the general public for equipment repairs. Again, to the best of our knowledge, no other service provider is authorized by Olympus America Inc. at this time, to make repairs to stated equipment.

In reviewing this requirement, and discussing the details surrounding the equipment, it's rational to conclude that it would do more harm than good, to the patients of the VA Medical Systems and the Government, not to establish a sole source acquisition at this time Endoscope

8. A statement of the actions, if any, the agency will take to remove or overcome any barriers that led to restricted consideration before any subsequent acquisition for supplies and services are made:

Contracting activity will continue to advocate brand name or equivalent specification for equipment purchased by VA Medical Centers. The NAC, BRS Department will continue to monitor and seek to identify other vendors that may meet the VA's specialized needs.

9. A listing of the sources, if any, that expressed, in writing, an interest in the acquisition:

*None at this time.*

10. Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.



Willie Forrest  
Contracting Officer, OAL&C/NAC/BRS



Mechelle Reaser  
Contracting Specialist, OAL&C/NAC/BRS