

**LIMITED SOURCES JUSTIFICATION**

**ORDER >\$3,000**

**FAR PART 8.405-6**

**2237 Transaction # or Vista Equipment Transaction #: 549-13-1-5096-0044**

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: Omniceil Inc.

Manufacturer/Contractor POC & phone number: Ms. Wendy Smith, 9512068473

Mfgr/Contractor Address: 1201 Charleston Road Mountain View, CA 94043

Dealer/Rep address/phone number: Ms. Wendy Smith, 9512068473

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

**(1) AGENCY AND CONTRACTING ACTIVITY:**

Department of Veterans Affairs

VA North Texas Health Care System

4500 S. Lancaster Rd.

Dallas, TX 75204

Network Contract Office 17

**VISN:**

17

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

This is a request for other than full and open competition for the purchase of a maintenance agreement for Omnicell medication and inventory management equipment. NCO 17 intends to negotiate and award a task order on a sole source basis to Omnicell Inc. This action will result in a firm fixed task order.

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

The contractor shall provide any necessary tools, parts, materials, test equipment, labor, and transportation necessary to provide both routine and periodic maintenance for an Omnicell medication and inventory management equipment system. The VA North Texas Healthcare System requires GOLD service level support which includes 24/7 phone support, engineer live coverage, on-call support, remote software and interface diagnostics and software upgrades.

**(b) ESTIMATED DOLLAR VALUE:** \$75,701.00

**(c) REQUIRED DELIVERY DATE:** 2/15/2012 – 2/14/2014

**(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.

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

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

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☒ 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.

Omnicell, Inc. is a publicly held company providing state of the art supply management and medication dispensing solutions for infection control. This contract is required to continue providing veteran patients with a complete way of monitoring issued medication. The medical dispensing units are used daily to ensure that medications provided to VA patients have a tracking mechanism. Omnicell is able to provide any required parts and technical support within a timely manner. Telephone service technicians have access to the engineers who design the equipment and are able to resolve difficult problems. Omnicell, Inc is the sole manufacturer of the Omnicell System which has been used by VANTHCS since 1998 for medication dispensing. The system is integrated with the VANTHCS computer information system and purchasing the service from another vendor will result in replacement of the entire health system's existing cabinets (74) and servers at a cost of several million dollars. Additionally, on 2/5/2013 the contracting officer spoke with the POC (Ms. Wendy Smith) from Omnicell and was advised that Omnicell does not allow third party vendors to repair its equipment.

☐ 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.

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

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**(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 Contracting Officer has determined that prices for this procurement will be fair and reasonable based on comparison with historical pricing. The historical pricing is based on previous task orders such as 671 - C30233 and 549 - A21049. Services under this procurement action will be purchased off of Omnicell's federal supply schedule contract.

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

The Contracting Officer conducted market research to determine if other contractors with federal supply schedules were capable of providing the service. A search on Google revealed that there are several other agencies that have awarded the same service sole source to Omnicell Inc. Additionally, NCO 17 has contracts with Omnicell for the same service. The VANTHCS compared two manufacturers of medication dispensing cabinets. The comparison was between Suremed which is now Omnicell, Inc and Pyxis. Based upon tests that were accomplished in the nursing units, the Omnicell Cabinets met the needs of the VANTCHS while the Pyxis Cabinets did not.

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

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**(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:**

The major barrier to competition is the fact that Omnicell does not allow third party vendors to repair its product. The software and hardware is proprietary to Omnicell Inc.

**(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.)*



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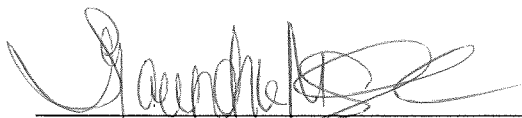
STEPHANIE CAREY

February 6, 2013  
DATE

Administrative Officer  
Pharmacy Department  
U.S. Department of Veterans Affairs

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

**a. CONTRACTING OFFICER'S CERTIFICATION (required):** I certify that the justification meets requirements for other than full and open competition. I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



SHAUNDRICA M. CLOSE  
Contracting Officer  
Network Contracting Office (NCO) 17  
Service Area Office (SAO)-West  
U.S. Department of Veterans Affairs

2-7-13

DATE

**b. FIRST SUPERVISOR:** I certify that the justification meets requirements for other than full and open competition. I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.



MARY ACCOMANDO  
Supervisor, NCO 17, SAO-W

2-7-2013

DATE