February 26, 2013

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

Subject: OLYMPUS FLEXIBLE SCOPE REPAIR
Olympus Flexible Endoscope, Model DUR-D (Serial Number F23918)

1. Identification of the agency and the contracting activity and specific identification of document as a sole source justification:

DEPARTMENT of VETERANS AFFAIRS
Office of Acquisition Logistics and Contracting (OAL&C)/National Acquisition Center (NAC)/ Business Resource Service Center (BRS)
1st Avenue, One Block North of 22nd (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 Department, Hines, IL 60141 proposes by means of other than full and open competition, a need to acquire services and repairs of flexible endoscope model, DUR-D, Serial Number (S/N) F23918 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, 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 quality patient care.

For those services and/or repairs that cannot be accomplished in house by VA personnel, they are outsourced to various private entities to accomplish the repairs.

Olympus America Inc. has patent rights and proprietary ownership of their products, parts and services and does not authorize third party service dealers or retailers to service and/or resale their equipment or parts.

On November 27th, 2012, the Veteran Affairs (VA) Service Distribution Center (SDC), Service and Repair (S&R) Department, Hines, Illinois received an Olympus' flexible endoscope model DUR-D, S/N F23918 for evaluation and repair

due to failed video and damaged distal end . Equipment was received from the VA Medical Center, Omaha, Nebraska. The Hines VA SDC, S&R Department conducted an initial evaluation of the subject equipment and determined that it could not be repaired in house and repairs would require outsourcing.

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*."

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 flexible endoscope.

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 strict 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 subject equipment to 100% functionality and to ensure adherence to manufacturer's strict specifications. In addition, Olympus' parts, and repair services are proprietary to Olympus America Inc. and are not releasable to the general public for proper maintenance and repair of equipment. Again, no other service providers are authorized by Olympus America Inc. at this time.

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

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. The Hines SDC, S &R Department in conjunction with 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