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LIMITED SOURCES JUSTIFICATION
ORDERS >\$3,000
FAR PART 8.405-6(g)

2237 Transaction # or Vista Equipment Transaction #: 618-12-3-019-0747

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: ScriptPro

Manufacturer/Contractor POC & phone number:

Theresa Vaughn | ScriptPro
Sales Director, Institutional West Market | direct 913.403.5451 | cell 816.808.4832 | fax 913.384.4296 |
tvaughn@scriptpro.com
5828 Reeds Road, Mission KS 66202 | main 913.384.1008 | www.scriptpro.com

Mfr/Contractor Address:

ScriptPro
5828 Reeds Road
Mission, KS, 66202-2740 USA

Dealer/Rep address/phone number:

Theresa Vaughn | ScriptPro
Sales Director, Institutional West Market | direct 913.403.5451 | cell 816.808.4832 | fax 913.384.4296 |
tvaughn@scriptpro.com
5828 Reeds Road, Mission KS 66202 | main 913.384.1008 | www.scriptpro.com

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

1. AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs
VA Midwest Healthcare Network
St. Cloud Contracting Office
4801 Veterans Drive
St. Cloud, MN 56303
23

VISN:

2. NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

Delivery order off of an existing GSA Federal Supply Schedule for the acquisition of automated pharmacy dispensing systems

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

ScriptPro is a robotic prescription dispensing system used to fill patients' take home prescriptions. VISN 23 will acquire new and replacement ScriptPro systems and accompanying pharmacy integration systems and accessories at the following VISN 23 Medical Centers: Black Hills, SD (Ft. Meade, SD and Hot Springs, SD); Iowa City, IA; Minneapolis, MN; Nebraska Western Iowa (Omaha, NE; Grand Island, NE; Lincoln, NE); Sioux Falls, SD; and St. Cloud, MN. The equipment needed includes: Robotic Prescription Dispensing Systems with Collating Control Centers (various sizes); Central Expanded Platforms with Central Expanded Servers and Datapoint; Pharmacy Enterprise Management Systems; Pharmacy Image Servers; Pharmacy Data Terminals; Pharmacy Printers; Robotic Cell Multiplexors for Robotic Prescription Dispensing Systems; Pharmacy Services Portals; Pharmacy Patient Kiosks with Stands; Prescription Input Scanners; Wireless Barcode Scanners; Electronic Signature Devices; Prescription Notice Boards; Mobile Checkpoints and Software; Smart Card Scanners; Ticket Window Displays; Virus Protection Interface Upgrade; and all the necessary setup, interface, and system integration for the equipment.

b. ESTIMATED DOLLAR VALUE: \$3,750,000

c. REQUIRED DELIVERY DATE: September 30, 2012

3. 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.

ScriptPro is able to meet all of the following specific requirements/characteristics and is the current automation utilized across VISN 23 and would require no additional training, programming, interface, or IT changes and is uniquely suited as a sole source provider of this automation. The automated prescription filling systems must possess several characteristics. The systems must provide an OPAI with the Pharmacy VistA System and must use TCP/IP for communication with VistA. The system must fill vials directly from drug canisters and not via a common dispensing chute so as to avoid cross contamination. The system must provide scanning capability both at the canister filling process and the final verification process before dispensing to patients. Both of these steps should also provide a picture of the drug for verification. Canisters of the systems must be able to be calibrated and cleaned on site by pharmacy staff. The system should apply labels directly to the prescription vials and not require manual labelling. The labels applied by the system should include all auxiliary warning labels as well as a description and drawing of the drug dispensed. The system should provide an uncapped, filled vial to minimize vial cap removal and repetitive stress injuries. The systems need to fit into the limited available space. The system will need to accommodate multiple sizes of prescription vials. The system will provide regular updates to the drug file and will also allow the entry of multiple NDC (National Drug Code) numbers for a particular item, e.g. synonyms for the same item. The systems will reside on a medical VLAN and the vendor must comply with all Office of Cyber and Information Security requirements. The systems must allow a direct interface to more than one dispensing site within the facility.

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

☒ These are "direct replacements" parts/components for existing equipment.
Multiple VISN 23 Facilities including: St. Cloud, Sioux Falls, Iowa City, Nebraska Western Iowa, and Black Hills are already utilizing ScriptPro robots and are seeking upgrades, direct replacements for older systems as well, or additional equipment to augment their existing programs

☒ 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.

Multiple VISN 23 Facilities including: St. Cloud, Sioux Falls, Iowa City, Nebraska Western Iowa, and Black Hills are already utilizing ScriptPro robots and are seeking upgrades, direct replacements for older systems as well, or additional equipment to augment their existing programs. The pharmacy programs, including space limitations and IT requirements, are already designed to fit the current ScriptPro equipment, and utilization of another manufacturer's equipment would be unrealistic due to these limitations.

☐ 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.

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

4. 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:

Supplies offered of the GSA schedule are listed at fixed prices. GSA has already determined the prices of supplies. Therefore, VISN 23 is not required to make a separate determination of fair and reasonable pricing, except for a price evaluation as required by 8.405-2(d). By placing an order against a schedule contract using the procedures in 8.405, VISN 23 has concluded that the order represents the best value and results in the lowest overall cost alternative (considering price, special features, administrative costs, etc.) to meet the Government's needs.

5. DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

FAR Part 10 directs that market research be conducted on each acquisition appropriate to the circumstances. Research results serve to confirm that ScriptPro products are the best to be chosen for this award. Since the cost of remaining with the current system is far less than replacing all medication dispensing systems at the VISN 23 sites that have these systems installed and in use. Additionally, reconfiguring the pharmacy program/space to accommodate different equipment with a different footprint would be cost prohibitive.

There are limited vendors for robotic systems for outpatient prescription dispensing. In addition to ScriptPro, the following systems were reviewed as part of market research.

AmeriSource Bergen has two systems: The Optifill is for very high volume dispensing and has an extremely large footprint. It has much greater capacity than is required for the purposes of this purchase. This type of automation is routinely used in a centralized filling facility like a CMOP -- Consolidated Mail Outpatient Pharmacy -- which fills ~ 50,000 prescriptions per day. The FastFill 120 requires access from both sides of the machine which is not compatible with limited outpatient pharmacy space. It also requires canisters be sent to their factory for calibration when a drug product changes -- this happens frequently with generic drug manufacture changes and would result in machine down time and increased expense. It also has a fixed monitor and no work station which limits the number of people who can utilize the system and reduces productivity.

Parata has a system that requires more space than routinely available in an outpatient pharmacy and also requires access to both sides of the machine. The Parata system has two sizes of dispensing cabinets but neither label the prescription vials nor does it fill the vial. Parata also uses a fixed monitor and does not include a work station which limits the number of people who can utilize the system and reduces productivity.

6. ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

As mentioned previously, most VISN 23 Pharmacy Service facilities already utilize ScriptPro for outpatient prescription filling automation. This purchase/refresh of equipment along with replacing the Optifill machine in Minneapolis will result in complete standardization across VISN 23 and make it much easier to shift outpatient prescription workload across all VISN 23 facilities during system failure or emergency situations like we experienced a few years ago with the Fargo VAMC Red River flooding when workload was shifted to Minneapolis that required a great deal of hand filling of prescriptions because the automation was not compatible.

ScriptPro is currently the system utilized by 7 out of 8 VISN 23 Health Care System Pharmacies. Pharmacists and technicians are very familiar with the ScriptPro robotic dispensing system and do not require any training or education with this automation refresh. Moving to another robotic dispensing system would require extensive training and education for hundreds of pharmacists and technicians across a 5 state area and would impose an undue burden on patient care and productivity during a transition to a less desirable and inferior product as described in the market research section.

7. 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:

None known.

8. **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.)

<u>Angela L. Mulnix</u>		<u>7/17/12</u>
SIGNATURE		DATE
<u>Angela Mulnix</u>	<u>Biomedical Engineer</u>	<u>Biomedical Engineering</u>
NAME	TITLE	SERVICE LINE/SECTION
<u>VISN 23</u>		
<u>FACILITY</u>		

9. 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.


MELANIE A. STOCKMAN
VISN 23 CONTRACT SPECIALIST (ST. CLOUD)

17 July 2012
DATE

HIGHER LEVEL APPROVAL (For orders over \$500,000): ☒ REQUIRED ☐ NOT REQUIRED

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.


DARYL A. BERG
VISN 23 NETWORK CONTRACT MANAGER


8/6/2012
DATE

c. SAO: I certify the justification meets requirements for restricting consideration of the Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4.


RICK LEMMON
ACTING, DIRECTOR
SAO CENTRAL REGION

9 Aug 12
DATE

d. VHA HCA'S 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.


NORBERT DOYLE
HEAD OF CONTRACTING ACTIVITY (HCA)
CHIEF OF PROCUREMENT & LOGISTICS

9/18/12
DATE

Market Research Report

Requirement Title

1. **Objective:** Procurement of robotic prescription dispensing systems and pharmacy integration systems for Medical Centers through VISN 23.
2. **Background:** This procurement would provide upgrades and additions to the current systems in place at various medical centers, and provide for standardization across VISN 23.
3. **Market Research Sources:** The robotic prescription dispensing systems and pharmacy integration systems are available through Federal Supply Schedule V797P-4237B.
4. **Market Research Findings:** This equipment is only available from one source on Federal Supply Schedule. This vendor is also the manufacturer of the equipment.
5. **Market Price:** \$3,750,000.00
6. **Acquisition History:** This requirement has been purchased on a station by station basis in the past.
7. **Other pertinent information:** This is the current automation utilized across VISN 23, and therefore no additional training, programming, interface, and IT changes would be needed. An additional systems would need to be compatible with the current systems in place.
8. **Recommendations:** Solicit as a brand name requirement on FSS, using a Limited Source Justification and Approval.

Prepared by:

Name: Melanie Stockman

Date: 8/2/2012