

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval Under Simplified Acquisition Procedures for Restricting Competition

1. Contracting Activity:

Department of Veterans Affairs, VISN 20, for VA Puget Sound Medical Center, Research and Development, Seattle, WA.

2. Nature and/or Description of the Action Being Processed:

Department of Veterans Affairs Puget Sound Research and Development is requesting sole source purchase of a SciClone NGSx Workstation (Perkin-Elmer). This purchase is one component of two pieces of equipment that were the result of a successful application through the Shared Equipment Evaluation Program Request (SHEEP) – Research Equipment 2013. Funding is provided on 2237: 663-13-3-3163-1175.

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

The purchase is associated with transaction: 663-13-3-3163-1175. This system is complementary to the Illumina HiSeq system (transaction 663-13-3-3163-1167) that was also part of our successful grant application. The total cost for this system is \$240,328.00.

Key features for our research:

- a) Availability of pre-developed liquid handling scripts for the following applications: TruSeq DNA and RNA libraries (Illumina), TruSeq Stranded RNA Kit (Illumina), TruSeq Exome Enrichment (Illumina), NimbleGen SeqCap EZ sequence capture (Roche), SureSelect (Agilent), RiboZero/Script Seq (Illumina), HaloPlex (Agilent), SPRI purification (Beckman) and NEBNext (New England Biolabs).
- b) User-friendly software and interface.
- c) Automatic discarding of used tips/racks during the workflow.
- d) Multiple (3) temperature controlled blocks for enzymatic modifications, hybridizations and sequence captures.
- e) Integrated vision system that surveys the consumables on deck prior to launching workflows, thereby reducing the likelihood of errors.
- f) Dedicated barcode reader to track samples and plates.
- g) Ease of use – walkaway operation.

4. Statutory Authority Permitting Restriction in Competition:

The authority for single source procurement is Section 4202 of the Clinger-Cohen Act of 1996 as implemented by FAR 13.501(a), the test program for commercial items. In accordance with FAR 13.106-1(b) the contracting officer has determined that the circumstances of the contract action deem only one source reasonably available due to only one responsible source and no other supplies or services will satisfy agency requirements.

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

This request is required to be purchased as a single source because:

- a) The funds for this purchase were provided through the Shared Equipment Evaluation Program Request (SHEEP) – Research Equipment 2013. The grant application was for this specific equipment, including make, model, options, and supplier.
- b) The SciClone NGSx Workstation is specifically designed to process samples for next generation sequencing. Because the Molecular Genomics Core lab processes samples for many different investigators, it is important to select a robotic system capable of producing libraries for a wide array of applications. The SciClone NGSx can prepare libraries for many applications, including whole exome and whole genome sequencing, targeted sequencing, RNA-Seq, ChIP-seq and methylation analysis. The SciClone NGSx is provided with all of the key liquid handling scripts pre-installed, including all of the Illumina TruSeq DNA and RNA assays we employ. This system is complementary to our Illumina HiSeq system. The user-friendly software also allows operators to program custom scripts on the fly to aid in the development of their own assays.
- c) Other liquid handling robots available commercially do not provide such a comprehensive set of tools for assembly of next generation sequencing assays. Robots, such as the Beckman Coulter FX, have some of the capabilities needed; however, this system is very large and software is not user-friendly. The FX does not come with pre-installed scripts; the majority of scripts would need to be developed onsite, requiring a dedicated research scientist. This is not feasible for us. Other systems designed to process samples for next generation sequencing, such as the Agilent Bravo or Perkin-Elmer NGS Express are limited in their capabilities. The Agilent Bravo is designed to work specifically with Agilent products (ie. SureSelect target enrichment) and is not made for use with other assay technologies. The Perkin-Elmer NGS Express, is a smaller robot, with only limited capabilities. The NGS Express can prepare genomic libraries and perform sequence capture, but at a smaller scale, and is not currently setup to run more sophisticated assays, such as RNA-Seq or ChIP-seq.

6. Description of Efforts Made to Ensure that Offers are Solicited from As Many Potential Sources as Deemed Practicable IAW FAR 13.104:

Market research was conducted by the end user and the contracting officer, and no other source was found that could potentially meet the requirements. Extensive web searching was conducted by the contracting officer just in an attempt to find price reasonableness and no other source was identified except the manufacturer, Perkin Elmer.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable – IAW FAR 13.106-3:

In accordance with FAR 13.106-3(a)(2), the proposed price of \$240,328.00 will be fair and reasonable based on:

- a) Current list prices, catalogs, or advertisements: The quote from Perkin Elmer shows a \$14,000 discount from list price.
- b) Comparison to similar products in a related industry/prices found reasonable on previous purchases: A purchase by the Animal and Plant Health Inspection Service is listed in FPDS-NG for the Beckman Coulter FX robot (a similar product that does not meet the requirements of this procurement) for \$298,438.00.00 under Award ID AG639543639544574 on September 23, 2004,

and the Agilent Bravo (a liquid handling robot with limited capabilities) was awarded by the FBI under DJFA0C1024801 for \$188,109.00 on September 10, 2010. Although these awards are 2 and 3 years old, there is no indication the market has changed considerably in that time. The comparison demonstrates that similar robots are priced within 25% above or below our proposed price.

- c) Any other reasonable basis: The pricing of this equipment and similar equipment was not readily available. The industry standard is to only reveal pricing on a case-by-case basis upon contact with a sales representative. A search for pricing on the Internet revealed used liquid handling robots for sale for around \$130,000. The contracting officer's experience with used equipment that is not refurbished and has no warranty, such as this is that it sells for approximately half the price of new equipment, depending on condition. \$130,000 for used as-is equipment is consistent with the new equipment cost of \$240,328.00.

8. Description of the Market Research Conducted and the Results, or Statement of Reasons Market Research was not Conducted (FAR 10):

Extensive market research was conducted, as outlined in paragraph 5 into alternative sources for this requirement, and ultimately it was determined that this product was the only item that met all of the government's needs. Market research conducted for potential sources indicates that Perkin Elmer is the only supplier for this particular robot.

Market research conducted by the contracting officer using Internet searches, FPDS, FBO, and the SBA's dynamic small business search tool revealed no other potential sources for this equipment.

9. Any Other Facts Supporting the Restriction of Competition:

The SciClone NGSx is the optimal liquid handling system for our needs. We recently had the opportunity to examine a SciClone NGSx in the laboratory of our collaborator, Debbie Nickerson (University of Washington, Genome Sciences). The Nickerson group, also focused on next generation sequencing applications, highly recommended this specific system and has found it optimal for their needs. In addition, a local vendor, Genesee Scientific, provides tips for the SciClone with a rack recycling program. This will reduce the amount of plastic waste generated.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

None

11. Statement of 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:

The framework for the SHEEP grant application requires the product to be specified as part of the application package. If approved, funding is conditional on the purchase of the exact brand and model approved in the grant. The options for competition are limited to suppliers of the specific brand and model of the item listed in the grant application package.

12. Requirements Certification - IAW FAR 13.501:

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 and belief.



Kurt Strand, PhD
R&D Lab Operations and Logistics
Puget Sound VA Medical Center

8/7/2013
Date

13. Approvals in accordance with FAR 13.501:

- a. **Contracting Officer's Certification: (required)** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Bethany Ireton
Contracting Officer
NCO 20 Supply Team B

Date

- b. **Acquisition Manager's Review and Approval:**

I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and recommend approval for other than full and open competition.

For

Nicholas M. Jenkins
NCO 20 Network Contracts Manager
Service Area Office – West

August 7, 2013
Date