

JUSTIFICATION AND APPROVAL
FOR USE OF SOLE SOURCE

1. Contracting Activity.

NAVSUP FLCSI – Naples – Site Rota

2. Description of the Action Being Approved.

The Government seeks to award a contract on a sole-source basis for the delivery of various reagents, kits, controls and consumables to perform diagnostic analysis in support of U.S. Naval Hospital, Rota, Spain.

3. Description of Supplies/Services.

The resulting contract will be with Siemens Healthcare Diagnostics, Calle Lluís Muntadas 5, Barcelona, Spain 08940, for medical supplies to assist in completing diagnostic analysis in support of U.S. Naval Hospital Rota. The supplies include chemical reagents, kits, controls and consumables. Some examples of the required supplies are as follows:

Thyroid Calibrator
Enzyme Verifier
Citrol Level 1-3
HM Reaction Vessel
RXL Chemistry Wash Station

These represent just a small fraction of the many diagnostic supplies required by U.S. Naval Hospital, Rota, Spain. A completed list with associated quantities is included as Attachment (1). The total estimated value of the required supplies is \$180,000. All supplies shall be delivered by 5 March 2016. Additionally, the contract will include an option for one year, with an estimated value of \$180,000 and a completion date of 5 March 2017.

The Government shall use FY 2015 Navy Operation and Maintenance (O&M) funding for this procurement. If the option year is exercised, the Government will use FY 2016 O&M Funding.

4. Statutory Authority Permitting SOLE SOURCE.

- **41 U.S.C. 1901 – Simplified Acquisition Procedures - a sole source acquisition under the authority of the test program for certain commercial items, as implemented by FAR 13.501(a).**

5. Rationale Justifying Use of Cited Statutory Authority.

This procurement is for the acquisition of commercially available medical supplies with a total contract value below \$6,500,000. As such, under FAR Part 13.500, the Government will utilize simplified acquisition procedures under the “Test Program for Certain Commercial Items.”

Acquisitions conducted under simplified acquisition procedures are exempt from FAR Part 6 Competition Requirements. In accordance with FAR Part 13.501(a)(i) the Government may conduct sole-source acquisitions when the need to do so is justified in writing and approved at specified levels.

The U.S. Naval Hospital, Rota, Spain currently utilizes diagnostic equipment produced and sold by Siemens Global. The Siemen’s diagnostic equipment is only compatible with chemical reagents, test kits, controls and consumables produced and sold by Siemens. The only company that sells these products in Spain is Siemens Healthcare Diagnostics S.L. A Spanish supplier must be used due to the short shelf life of some reagents. Procuring the material from a Siemen’s supplier outside of Spain would result in unreasonably short shelf lives due to shipping times. The U.S. Naval Hospital, Rota, Spain must utilize the above-mentioned equipment (including the equipment in attachment 1) and chemicals to support its mission. Therefore, the Government must procure chemical reagents, test kits, controls and consumables from Siemens Healthcare Diagnostics on a sole-source basis.

6. Description of Efforts Made to Solicit Offers from as Many Offerors as Practicable.

Laboratory technicians from the U.S. Naval Hospital, Rota, Spain, conducted market research in September of 2014. The technicians concluded that they could only use Siemens Healthcare Diagnostics supplies to perform necessary diagnostic analysis on existing equipment. Furthermore the market research team confirmed that the chemical reagents, test kits and controls were not available from any required source of supply. Based on the market research conducted and the reasons discussed in Section 5 above, no company other than Siemens Healthcare Diagnostics can provide the required supplies.

7. Determination of Fair and Reasonable Cost. The Contracting Officer has determined the anticipated cost to the Government of the supplies covered by this J&A will be fair and reasonable.

8. Actions to Remove Barriers to Future Competition.

For the reasons set forth in Sections 5 and 6, NAVSUP FLCSI – NRDC Naples – Site Rota) has no plans at this time to compete future contacts for the types of supplies/services covered by this document. If another potential source emerges, the Government will assess whether competition for future requirements is feasible.

9. CONTRACTING POINT OF CONTACT

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Prepared

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