Control Number: 26-HRCO-56

JUSTIFICATION REVIEW DOCUMENT
Subpart 538.71— Federal Supply Schedule Ordering Procedures
Sole Source Justifications

Program/Equipment: Base + 2 Option Year Olympus Endoscopic Probe Lease, Service, and Maintenance contract for the Department of General Surgery at Blanchfield Army Community Hospital (BACH) on Fort Campbell, Kentucky.

Authority: 538.7104-3 Sole Source Justifications

Amount: $[redacted]

Prepared by:	Jason A. Honeycutt Title: COR E-mail: [redacted]	Phone: [redacted] Date: 04/14/2026
Contracting Officer:	Lorena Cruz Contracting Officer E-mail: [redacted]	Phone: [redacted] Date: 04/18/2026
Technical:	Christine Rasnic CNOIC, General Surgery E-mail: [redacted]	Phone: [redacted] Date: 04/20/2026
Requirements:	Jason A. Honeycutt Title: COR E-mail: [redacted]	Phone: [redacted] Date: 04/14/2026

Reviews: I have reviewed this justification and find it adequate to support other than full and open competition.

Program Manager/Program Executive Officer:

Typed Name: Rachael Mann Phone: [redacted]
Title: Chief, Clinical Services, DOS E-mail: [redacted]

General Services Acquisition Regulation (GSAR) deviation Subpart 538.71—Federal Supply Schedule Ordering Procedures
Sole Source Justifications

1. **Requiring Activity:** Blanchfield Army Community Hospital, Fort Campbell, KY

2. **Contracting Activity:** US Army Health Contracting Activity (USAHCA), Health Readiness Contracting Office (HRCO)

3. **Description of Action:** Request approval to award a new contract action for Endoscopic Probe Lease, Service, and Maintenance for the Department of Surgery at Fort Campbell, Kentucky to ensure continuity of patient care and maintain full compatibility with existing, mission-critical government-owned endoscopic equipment workstations. Request approval to award a new $[redacted] non-competitive three-year contract (twelve-month base and two twelve-month options) Firm-Fixed Price (FFP) definitive contract to Olympus America, Incorporated, CAGE: 32212, 3500 Corporate Parkway, Center Valley, PA, 18034. This contract will be fully funded using appropriate Fiscal Year (FY) Defense Health Program (DHP) funds.

4. **Description of Supplies/Services:** Olympus Endoscopic Probe Lease, Service, and Maintenance contract for the Department of General Surgery at Blanchfield Army Community Hospital (BACH) on Fort Campbell, Kentucky. The Department of Surgery at BACH requires a leased series of thirteen Endoscopic Probes that provide visual ability to surgeons and medical professionals to access and view sections of gastric anatomy before, during, and after patient procedures. BACH requires these scopes to maintain constant availability, and the capability of being repaired and/or replaced in rapid succession with minimal delay, as the nature of their use results in regular damage and strenuous maintenance requirements that portend significant downtime. Based on historical usage data from the previous contract, these probes require service and average of seven times per year, and have an average turnaround time of six days, making the immediate replacement provision of a lease essential to maintaining operational readiness. BACH requires these scopes to be compatible with pre-staged government-owned equipment. The total period of performance will be thirty-six months, from July 2026 – June 2029.

Period	Period of Performance (POP)	Estimated Value
Base	1 JULY 2026 through 30 JUNE 2027	$[redacted]
Option 1	1 JULY 2027 through 30 JUNE 2028	$[redacted]
Option 2	1 JULY 2028 through 30 JUNE 2029	$[redacted]
	Estimated Total Price	$[redacted]
FAR 52.217-8	Not Included	N/A

5. **Authority Cited:** 538.7104-3 Sole Source Justifications

6. **Reason for Authority Cited:**

a. Background: BACH is in possession of Government owned equipment in the Department of Surgery that has been purchased and installed. This equipment includes Olympus CV-190 Endoscopy Image Processor, Olympus UCR Endoscopic Insufflator, Olympus CVL-190 Flexible Endoscope Fiber Optic Cable Light Source, and Olympus WM-DP2 Endoscopic Video. The equipment is designed to work as a system. The only equipment BACH did not purchase was the endoscopes due to the limited lifespan of these devices. A lease versus purchase decision was made heavily in favor of leased equipment as the service plan includes loaner equipment during times of repair work. The existing government-owned Olympus endoscopic workstations would not function with other manufacturer endoscopes and would represent a significant and unrecoverable cost for the Government. These items aid in the conducting of Gastric and General surgical procedures, and work in tandem with Endoscopic Probes, allowing Surgeons and medical professionals to safely and effectively perform required surgical procedures on patients. The requested Scopes from Olympus America, Inc. are the only endoscopic scopes that maintain seamless compatibility with this pre-existing equipment. The CV-190 Endoscopy Image Processor, light sources, and video systems utilize proprietary Olympus connections and software. Probes from other manufacturers (e.g. Stryker, Pentax, Fujifilm) are not physically or electronically compatible with this system. Therefore, the Olympus America Inc. probes are the only ones capable of functioning with this Government-owned equipment. Olympus America Inc. does not authorize any small business entities or third-party distributors to lease their scopes and equipment to the U.S. Government (see vendor proprietary letter included in this file), making Olympus the sole-source for the compatible scopes lease required to function with the existing Government-owned equipment.

b. Alternatives: BACH has explored alternatives to increase competition in this arena. However, related purchases of equipment via Defense Health Agency sources, along with competitively awarded contracts (W9124825FA157) for software that is solely compatible with the requested Endoscopic Scopes have made an open competition impractical, as multiple systems, both government owned and competitively sourced preclude the procurement of other market equipment without abandoning in lifecycle equipment and terminating competitively awarded contracts, thus subjecting the government to substantial duplication of costs and efforts that would not be recovered through competition.

c. Impact if not approved: Failure to approve this contracting action will have significant and far-reaching consequences for BACH, the 101st Airborne Division, Fort Campbell tenant units, and the overall readiness posture of the U.S. Army at-large. BACH is the primary enrollee for 21,000 Active Duty Servicemembers, responsible for the health and medical readiness of each of these soldiers. Without approval of this action, BACH will be forced to divert beneficiaries for 100% of gastric and endoscopic procedures, and a significant percentage of all General Surgery patients to the network. This will result in a complete loss of follow-on care, compromising the mission of providing a medically ready force capable of fighting anywhere in the world tonight.

Recapturing this network leakage would be exceedingly difficult, if not impossible, permanently eroding BACH's patient base and revenue streams.

7. Efforts to Obtain Competition: The Contracting Officer has the notices required by FAR 5.201 and any bids or proposals received shall be considered. Extensive market research has indicated that there are currently no practical alternatives available to obtain competition for this requirement, as Olympus America, Inc. hold proprietary distribution rights for the products required to function in the facility.

a. Effective competition: N/A

b. Subcontracting competition: N/A

8. Actions to Increase Competition: A sources sought notification was published on sam.gov between 13 February 2026 and 19 February 2026 identifying the current equipment in the endoscope workstations and requesting interested vendors provide a list of endoscopes compatible with the government-owned devices. Additionally, a sources sought notification was published on GSA eBuy from 23 April 2026 to 28 April 2026.

9. Market Research: Market research was conducted between November 2025 and January 2026 to identify alternative vendors. The proposed vendor, Olympus America Inc. provided a proprietary letter stating they do not have any authorized resellers of their equipment. A sources sought notification was published on sam.gov between 13 February 2026 and 19 February 2026 identifying the current equipment in the endoscope workstations and requesting interested vendors provide a list of endoscopes compatible with the government-owned devices. One vendor responded to the sources sought. However, the vendor acknowledged the Fujifilm endoscopes proposed were not compatible with the government-owned Olympus components of the Endoscopy suite and that the purchase of Fujifilm image processors and other components to replace the government-owned items was required in order to lease their endoscopes. The exact items for the lease are available on GSA under contract 36F79721D0168 to Olympus America Inc. Based on the market research, a sole source award against GSA contract 36F79721D0168 is feasible.

10. Interested Sources: Olympus America, Inc.

11. Other Facts:

a. Procurement history.

Contract Number	Contractor	Procurement Method	Amount (est.)	Period of Performance
W91YTZ22P0053	Olympus America, Inc.	Sole Source FAR 6.302-1	$[redacted]	07/01/2022 through 06/30/2026

1) Previous contract issued at BACH for these services was W91YTZ22P0053

2) This action was completed as a sole-source.

3) Authority previously was FAR 6.302-1

4) There are no unusual patterns or several consecutive, urgent buys for this requirement.

5) There is no protest history for this requirement

b. Other facts. N/A

12. Technical Certification: I certify 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.

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Christine Rasnic
CNOIC, General Surgery

13. Requirements Certification: I certify 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.

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Jason A. Honeycutt
Contracting Officer Representative

14. Fair and Reasonable Cost Determination: I hereby determine that the anticipated price/cost to the Government for this contract action will be fair and reasonable. This determination will be made using a comparison with recent contracts for similar services.

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Lorena Cruz
Contracting Officer

15. Contracting Officer Certification: I certify that this justification is accurate and complete to the best of my knowledge and belief.

CRUZ.LORENA.1182466707 Digitally signed by CRUZ.LORENA.1182466707 Date: 2026.06.02 09:59:44 -04'00'

Lorena Cruz
Contracting Officer