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CLASS JUSTIFICATION FOR AN EXCEPTION TO FAIR OPPORTUNITY (JEFO)
INNOVATION ASSOCIATES, INC
CONTRACT SPE2D1-19-D-0017

1. Defense Logistics Agency (DLA) Troop Support, Medical Supply Chain, Capital Equipment Division, is the contracting activity.

2. The action submitted for approval is a Class JEFO for the purchase of annual pharmacy automation equipment maintenance service and support program under Innovation Associates, Inc.'s DLA Troop Support Patient Monitoring and Capital Equipment (PMCE) Contract SPE2D1-19-D-0017. Annual maintenance coverage consists of equipment repair and software updates. Contract SPE2D1-19-D-0017 was awarded under the PMCE Program solicitation SPE2D1-17-R-0001. This Class JEFO will apply to all Service Maintenance Agreement (SMA) orders placed under the subject contract commencing with the date of approval of the Class JEFO through July 22, 2029, when the five-year base and five-year option periods expire.

3. Department of Defense (DoD) customers and other Federal Agency customers have ongoing requirements for maintenance services for previously acquired and installed Innovation Pharmacy Workflow and Automation System for which the initial one-year warranty period has expired. SMA orders are placed annually thereafter. The maximum dollar value of the sole source SMA orders to be issued under contract SPE2D1-19-D-0017 is $[redacted].

4. The authority waiving the competition requirements is **FAR 16.505(b)(2)(i)(B)**, only one awardee is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized.

   Innovation Associates is the only vendor who can perform maintenance on its Innovation Pharmacy Workflow and Automation System, iA NEXiA, software and ensure the installed systems' performance and cybersecurity accreditation is maintained. Innovation is the Original Equipment Manufacturer (OEM) and only source for the maintenance services required on the iA NEXiA units because they are the OEM with the sole proprietary license for the operating software. The iA NEXiA, formally known as PharmAssist, is an automated medication dispensing system for oral and solid medications with linked and computerized quality assurance software. The iA NEXiA system is integrated with the Composite Health Care System (CHCS) using digital imagery and bar code technology incorporated into the entirely paperless prescription filling process. The linked quality assurance software with digital images of prescriptions provides a significant safety measure by verifying accuracy for all prescriptions filled at various CHCS-hosted pharmacy sites against the original scanned hard copy prescription. The annual maintenance coverage provided by Innovation consists of equipment

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repair and software updates. Repairs include annual preventative maintenance (PM) and minor equipment adjustments due to wear and tear. Software updates can include but are not limited to updated drug lists and cyber security changes. The required software updates are proprietary to Innovation. Repairs of the iA NEXiA equipment often require interaction with the iA NEXiA proprietary operating software. Innovation Associates, is the sole manufacturer of the iA NEXiA and are capable of maintaining all system information security certifications, testing and on-going Information Assurance (IA), including security updates and patches. Accordingly, only Innovation Associates can maintain the Authority to Operate and the critical security status of the iA NEXiA systems on an ongoing basis under yearly maintenance programs. Security updates and patches must be thoroughly tested by the manufacturer prior to being applied to their system; therefore, only Innovation Associates can provide maintenance for their manufactured equipment

5. Innovation's contract includes fixed prices for annual SMAs. DLA Troop Support has already determined the price of the iA NEXiA annual maintenance coverage from Innovation to be fair and reasonable based upon pricing evaluated at the time of award of Innovation's current PMCE contract and subsequent modifications. The pricing was considered fair and reasonable based on the proposed Government pricing compared to the commercial price list and commercial discounting practices. This order represents the best value to the Government and results in the lowest overall cost alternative (considering price, special features, and administrative cost)

6. DLA Troop Support has continually conducted market research during the life cycle of the Electronic Catalog (ECAT) Program and PMCE acquisition planning, spanning from September 2013 through the present. The most recent market research was performed in early May 2025. Market research indicated that there were no other sources that could satisfy this requirement and is compatible with existing software/licenses. DLA will continue to perform market research to promote removing any competitive barriers for future acquisitions. PMCE vendors have the opportunity to add products that fall within the scope of the PMCE solicitation at any time; however, currently there are no other known PMCE vendors that would be able to offer the extended warranty maintenance coverage for an existing iA NEXiA System, including all hardware repairs and software.

7. Only the OEM is able to offer a maintenance, service and support program for any existing Innovation Pharmacy Automation Systems. Therefore, there are no actions that can be undertaken to overcome or remove any barriers to fair opportunity before any subsequent acquisition.

8. As the Contracting Officer, I hereby certify that the information contained in this justification is accurate and complete to the best of my knowledge and belief.

[redacted]

Date

Contracting Officer

I hereby certify that the requirements which form the basis of this justification are accurate, that these supplies meet the Government's minimum needs and that this justification is accurate and complete to the best of my knowledge.

[redacted]

Date

Biomedical Engineer

I have reviewed and hereby approve this justification.

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Date: 2025.07.21 08:58:42 -04'00'

Date

WILLIAM J. KENNY
Executive Director
DLA Troop Support Contract
and Acquisition Management

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