JUSTIFICATION AND APPROVAL
FOR OTHER THAN FULL AND OPEN COMPETITION

Completion Instructions: The Department of Health and Human Services (HHS) has established a standard template for the preparation of a J&A for Other Than Full and Open Competition. If this is an 8(a) set-aside, please note this form is not required unless the acquisition is valued (including all options) at greater than $22 million. This template is NOT applicable for actions using simplified acquisition procedures (FAR Part 13), Federal Supply Schedule orders (FAR 8.4) or task or delivery orders subject to fair opportunity (FAR 16.505).

Tailor all aspects of this template to the individual acquisition. Consult FAR Subpart 6.3 for guidance. An addendum may be added in case additional space is needed.

When this document is printed, the blue italic instructions are automatically deleted on the printed version.

Acquisition Title: Optimized Storage Solution for Gallup Indian Medical Center

Agency: IHS

Acquisition Year (FY): 26

Author and Title: CDR Pamela Ogonowski, Acting Supervisor, Medical Supply

2. Description of Action:

Nature:	✔ New Requirement	☐ Follow-on Requirement	
	☐ Modification to Existing Purchase Order/Contract Number:		
Pricing:	✔ Firm-Fixed Price	☐ Time & Materials	Cost $694,000
	☐ Other:	Hardware - $166,600; PM/Implementation $528,000	
Funds:	☐ OMA	☐ Other Funds:	

Name of Proposed Contractor(s): BlueBin Supply Chain Management by Capsa Healthcare

Street Address: 4616 25th Ave NE #764,

City, State, Zip: Seattle, WA 98105

3. Description of Services or Supplies:

Basis for Approval (FAR 6.303-1(d)):	✔ Individual Basis	☐ Class Basis

The total estimated value of the proposed action, including all options is $ $694,000

As applicable, briefly describe the services or supplies required to meet the agency's needs, including make & model number where appropriate. Include quantities of supplies or period of performance for services. Provide information for any options included. If the action is a modification to an existing contract, distinguish clearly between the work covered by the original contract and the work to be obtained by the proposed modification.

GIMC requires a vendor-managed healthcare supply chain solution utilizing a two-bin Kanban system. The contractor shall provide on-site implementation including two on-site staff for approximately 44 weeks, redesign of approximately 16 clinical storage areas, installation of bins/shelving, training of clinical and supply department staff (including two staff with BlueBelt Certification) and potential for future deployment of inventory management tools and analytics. Services include staff training and ongoing performance monitoring. The contractor is expected to perform the majority of implementation activities. Period of Performance: Initial

4. Authority and Rationale: Identify the statutory authority, FAR title and FAR citation permitting other than full and open competition. It may be one of the following most commonly used citations by the operating divisions of the Department of Health and Human Services (HHS), but other exceptions may apply per FAR Subpart 6.3.

Actions other than simplified acquisition procedures (select only one and provide an explanation):

☑ *FAR 6.302-1:* Only one responsible source and no other supplies or services will satisfy agency requirements, 41 U.S.C. 3304(a)(1)

Explain why the intended contractor is the only responsible source who can provide the required supplies or services. Discuss the unique capabilities, expertise, etc. that support the lack of competition/why no other type of supplies or services will satisfy agency requirements. Explain factors/unique qualifications such as proprietary data or exclusive licensing rights, if applicable. When competition is limited to items particular to one manufacturer, this justification must explain why the particular brand name, product, or feature is essential to the Government's requirements, and that market research indicates other companies' similar products, or products lacking the particular feature, do not meet, or cannot be modified to meet the agency's needs in accordance with FAR 11.105. If in connection with a follow-on contract for continued development or production of highly specialized equipment, detail the substantial duplication of cost or unacceptable delays.

The Gallup Indian Medical Center (GIMC) requires a comprehensive, vendor-managed healthcare supply chain solution that includes system redesign, implementation of a two-bin Kanban inventory system, staff training, and embedded on-site operational support during rollout. BlueBin is the only responsible source capable of meeting the Government's requirement. BlueBin provides an integrated solution that combines physical system redesign, a two-bin Kanban methodology, and the BlueQ analytics platform, enabling standardized workflows,

☐ *FAR 6.302-2:* Unusual and compelling urgency, 41 U.S.C. 3304(a)(2)

If unusual and compelling urgency is the basis for the justification, explain the chronological events leading up to the requirement and explain why time constraints cannot permit even a limited competition. Describe the detrimental effects/ serious injury to the mission of the requiring activity or to the government, financial or otherwise, that will result if this justification is not approved. Describe impact of required delivery/performance date. Describe the detrimental effects/ serious injury to the mission of the requiring activity or to the government, financial or otherwise, that will result if this justification is not approved and the product or service cannot be provided by the intended sole source contractor. Failure to plan for expiring funds is not a valid reason for citing this exception. May not exceed one year, including all options, unless the head of the agency determines that exceptional circumstances apply.

☐ *FAR 6.302-5:* Authorized or Required by Statute, 41 U.S.C. 3304(a)(5)

Provide a citation to the statutory authorization and a brief description of its content, or identify the specified source or other agency.

☐ Other (See FAR Subpart 6.3 for additional authority)

Provide the authority and citation to the applicable section of FAR 6.3.

Provide a full explanation to justify use of the exception.

***5.* Agency Actions to Take or Remove Barriers That Led to Other Than Full and Open Competition (If applicable):**

Describe the actions, if any, the agency may take to remove or overcome any barriers that led to the restricted consideration prior to any subsequent acquisition for the supplies of services is made. If no such actions have been taken, explain why.

The Government recognizes the importance of promoting full and open competition to the maximum extent practicable. The current requirement for BlueBin is driven by the need to implement a proprietary, integrated supply chain management system that includes specialized processes, support for future analytics, and embedded on-site staffing support. A critical factor contributing to the restricted competition is the Government's current staffing limitations. GIMC is operating at critical staffing levels and does not have sufficient internal resources to independently implement, manage, and sustain a complex supply chain transformation effort. As a result, the

6. Bridge Contracts:

For contract extensions or bridge contracts when a competitive follow-on is in the process of being developed, summarize history of current contract and explain the reasons for any delays in the acquisition. Include discussion of the milestones for the follow-on action; the milestones should be as efficient as possible. Discuss why it would be neither cost effective nor realistic to expect another contractor to perform during the brief interim period; include issues such as start-up costs, phase-in, transfer of GFP, recruitment and staffing, etc. If the action is because of a protest, provide a brief discussion of the protest including the date the protest was filed and the basis of the protest. Explain that the action will provide the minimum quantity or performance period.

Does not apply.

7. Actions to Increase Competition:

Describe efforts made to compete the action, including whether a notice was or will be publicized as required by FAR Subpart 5.2 or which exception under FAR 5.202 applies. If a notice was publicized, discuss the number of written responses to the synopsis and the results of the assessment of the written responses. List sources, if any, that expressed, in writing, an interest in the acquisition. Provide rationale if interested sources were rejected. If applicable, state that no other sources have expressed interest, but all offers received shall be considered. Describe what actions will be taken to increase competition before subsequent acquisition of the supplies or services is required. You may state that an action is a one-time requirement, but if a similar requirement arises, every effort will be made to compete it to the maximum extent possible. If action is sole source because of proprietary data or licensing rights and there will be a continuing need for the requirement, there must be evidence that advanced planning has been initiated to overcome the barriers to competition, or there should be documentation to support an analysis that replacement costs/licensing purchase costs outweigh the benefits of competition. If the action is a contract extension or bridge, explain actions to compete the follow-on. If action is an urgent new requirement and a competitive follow-on is anticipated, explain that efforts are underway to facilitate a full and open competition.

8. Market Research:

Describe the extent of the market research conducted to identify all qualified sources and the results thereof. "Market Research" is defined as those attempts you made to ascertain whether other qualified sources exist, and can include contact with knowledgeable experts regarding similar or duplicate requirements, contact with industry, results of a sources sought synopsis, or draft solicitations. Research of the marketplace may consist of written, electronic (i.e. email) telephonic, or world wide web inquiries. Lack of advanced planning is not an acceptable reason for the lack of market research, but true urgency may necessitate abbreviated market research that is limited to readily available historical and commercial information. If action is a contract extension or bridge contract, describe the market research efforts underway or completed for the follow-on. See FAR 10.002(b)(2).

In accordance with FAR Part 10, market research was conducted to identify potential sources capable of meeting the Government's requirement. The Government reviewed commercially available solutions and/or conducted outreach to multiple vendors, including Cardinal Health, Owens & Minor, and Medline. Market research also included online research.

While these vendors provide certain supply chain or storage-related services, none were capable of meeting the Government's requirement for a fully integrated solution that includes a Kanban-based inventory system, proprietary analytics as a possible add on for future, embedded on-site staffing support, and certification-based sustainment. Specifically, none of the vendors identified through market

9. Procurement History:

Purchase order or contract number:

Was action competed?	☐ Yes	☐ No

If action was not competed, state the cited authority, summarize rationale, and describe the actions that were supposed to be taken to increase competition and the results thereof:

10.Additional Information to support the justification:

If applicable, explain why technical packages or specifications to facilitate competition were not developed or available; describe actions taken to remedy the situation.

Several operational constraints contributed to the inability to develop specifications suitable for competition. GIMC is currently operating at critical staffing levels and does not have sufficient internal resources to independently design, implement, and sustain a complex supply chain management system. As a result, the requirement includes embedded contractor support to ensure continuity of operations and minimize disruption to clinical services.Additionally, the facility is constrained by limited storage space and inefficient existing layouts,

11. Technical / Requirements Certification: ***By my signature below,*** I certify that the supporting data included in this J&A is accurate and complete.

Program Manager	
Name:	CDR Pamela Ogonowski
Position Title:	Acting Supervisor, General Services and Medical Supply
Email address:	pamela.ogonowski@ihs.gov
Phone:	5057221546
Program Manager Supervisor (or one level above Program Manager)	
Name:	Valarie Tolino
Position Title:	Chief Operating Officer
Email address:	Valarie.Tolino@ihs.gov
Signature:	Valarie Tolino -S Digitally signed by Valarie Tolino -S Date: 2026.04.06 06:53:48 -06'00'
Date:	

12. Fair and Reasonable Price/Cost Determination: As Contracting Officer, by my signature below, I hereby determine that the anticipated price/cost to the Government for this contract action will be fair and reasonable.

Provide the basis for this determination, e.g., describe techniques to be used to determine fair and reasonable price (FAR Subpart 15.402), such as price analysis, cost analysis, cost realism. Per FAR Subpart 15.403-4(a)(1), the threshold for obtaining cost or pricing data is $750,000.

Name:		Phone:	
Signature:		Date:	

13. Contracting Officer's Approval (Required for proposed contract not to exceed $700,000 (value calculated including all options)): I hereby certify that this justification is accurate and complete to the best of my knowledge. I approve this justification subject to availability of funds, and provided that the services and supplies herein described have otherwise been authorized for acquisition.

Name:		Phone:	
Signature:		Date:	

14. Legal Review:

All J&As greater than $68 million must have a legal review from the General Law Division of the Office of the General Counsel prior to sending it to the Department.

N/A

15. OPDIV Competition Advocate Approval (Required for proposed contract over $700,000 but not exceeding $13.5 million (value calculated including all options)):

I have reviewed this justification and find that it adequately supports other than full and open competition.

Name:		Phone:	
Signature:		Date:	

All J&As greater than $68 million must have a review from the Office of Small & Disadvantaged Business Utilization (OSDBU) prior to sending it to the Department. The OSDBU at their discretion may review any J&A.

16. Office of Small and Disadvantaged Business Utilization Review: (Required for contracts exceeding $68 million (value calculated including all options)):

Concur:	☐	Non-Concur:	☐
Name:		Phone:	
Signature:		Date:	

17. OPDIV HCA Approval (Required for proposed contract over $13.5 million but not exceeding $68 million (value calculated including all options)):

Name:		Phone:	
Signature:		Date:	

18. Department Competition Advocate (Required for contracts exceeding $68 million (value calculated including all options)):

Concur:	☐	Non-Concur:	☐
Name:		Phone:	
Signature:		Date:	

(The below approval paragraph is required if the cumulative contract value, including all options, exceeds $68 million.)

19. HHS Senior Procurement Executive (SPE) Approval:

Based on the foregoing justification, I hereby approve other than full and open competition for the above stated procurement, subject to the availability of funds, and provided that the services herein described have otherwise been authorized for acquisition.

State supplies/services being procured:

The Government is procuring a vendor-managed healthcare supply chain solution utilizing a two-bin Kanban system for the Gallup Indian Medical Center (GIMC), including system design, on-site implementation, embedded staffing support, inventory management tools,

State the full statutory authority and FAR cite and title, consistent with paragraph 4, e.g. 41 U.S.C. 3304:

Name:		Phone:	
Signature:		Date:	