

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

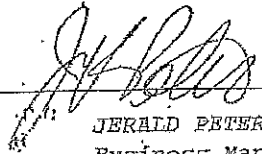
Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, VISN 20, Puget Sound Health Care System, Station 663.. Justification for Other than Full and Open Competition, Purchase Order # VA260-14-P-0322.
2. **Nature and/or Description of the Action Being Processed:** This is a sole source action to establish a bridge contract for the period of time between the old contract expiration date and the start date of the new contract. King County, WA, (CBOC) services.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** This procurement is for King County, WA, Community Based Outpatient Clinic (CBOC) services. The contractor provides all leases, equipment, furnishings and staff required to operate 3 (three) outpatient medical clinics in King County, Washington, under the King County CBOC program. The total estimated value of the acquisition is \$ [REDACTED]. The Period of Performance is March 1, 2014 – March 31, 2014, 1 month. The unit of issue is (Per Capita) per patient per month. Estimated Quantity of enrolled Veterans is [REDACTED]. The Unit price \$ [REDACTED]. Equation: [REDACTED] (estimated number of patients) x \$ [REDACTED] (cost per member per month) X 1 month = \$ [REDACTED].
4. **Statutory Authority Permitting Other than Full and Open Competition:**
 - (X) (1) Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements per FAR 6.302-1;
 - () (2) Unusual and Compelling Urgency per FAR 6.302-2;
 - () (3) Industrial Mobilization, Engineering, Developmental or Research Capability or Expert Services per FAR 6.302-3;
 - () (4) International Agreement per FAR 6.302-4
 - () (5) Authorized or Required by Statute FAR 6.302-5;
 - () (6) National Security per FAR 6.302-6;
 - () (7) Public Interest per FAR 6.302-7;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):** A short term contract is needed to prevent a break in service while a new contract finishes the pre-award approval process. Valor Healthcare, Inc. (a wholly-owned subsidiary of Humana Government Business, Inc.) is the incumbent contractor under VA260-13-D-0023 (VA260-13-J-0625 [663-C31729 and 663-C31729]) which will expire on 2/28/2014. As the incumbent, Valor already has leased facilities, security-cleared employees, and equipment and furnishings in place to serve the estimated [REDACTED] enrolled Veterans. According to market research conducted by Contract Specialist Darlene Anderson, it would take a new company 120 days after contract award to lease facilities, prepare employees, and have equipment and furnishings in place. In order to continue CBOC services for patient care without interruption beginning March 1, 2014, only the incumbent (Valor) could satisfy Agency requirements. In addition, the Government will be seriously injured unless the agency is permitted to contract with the incumbent. The estimated quantity of enrolled Veterans between the three (3) King County CBOC locations is [REDACTED]. These [REDACTED] patients look to the VA contractor for primary

care medical services. Primary care includes, but is not limited to, medical diagnosis and medically necessary treatment(s) of physiological and pathological conditions. Care is directed toward health promotion and disease prevention, management of acute and chronic medical conditions, pharmacological management, referral to specialty care, and continuity across the inpatient and outpatient settings. The VA hospital in Seattle cannot handle an influx of [REDACTED] patients during March 2014 should a break in service occur while a new contract finishes the pre-award approval process. Because of the above, unusual and compelling urgency exists. It is not due to a lack of planning by the Government. Work on the new King County CBOC contract first began on 5/30/2012 at a meeting between the Contract Specialist and the Contracting Officer's Representative.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Under normal circumstances this procurement would fall under usual requirements for open-market competition and be open to proposals by any and all eligible contractors. However, the urgent, critical need for uninterrupted services precludes procurement for this short term requirement from any source other than the incumbent.
7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** There is one Contract Line Item in total; it is for the capitated rate. The capitated rate of \$ [REDACTED] was competed and negotiated in 2007. The rates for this bridge contract will remain the same, [REDACTED] (estimated number of patients) x \$ [REDACTED] (cost per member per month) x 1 month = \$ [REDACTED]. Price is established as fair and reasonable in comparison with the competed prices paid under the 2007 competition (contract # VA260-P-0135 was competed on an unrestricted basis; two competitive proposals were received; there was adequate price competition.) The proposed price is in the best interest of the Government considering the patient load, incumbent responsible source, and urgency.
8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** No market research was conducted for this short term contract; the need for a short term contract was not anticipated. Market Research was conducted for the long term contract, including posting both a Request for Information (RFI) and a Request for Proposals (RFP) on the Federal Business Opportunities website. None of the companies that responded to the RFI or RFP indicated they have facilities currently in King County available for [REDACTED] patients. RFI and RFP respondents' facilities are all contingent upon being awarded the long term contract.
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** The Interim Contract Authority (ICA) via the Medical Sharing Office (MSO) was used, 3/1/2013-8/31/2013. The ICA 52.217-8, Option to Extend Services, clause has also already been used, 9/1/2013 – 2/28/2014. MSO has no further authority to extend services.
10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** No sources expressed, in writing, an interest in this short term acquisition.
11. **A Statement of the 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 subsequent acquisition has been competed and evaluated. The pre-award package is under review by MSO. There were no barriers to competition for the follow on contract. The follow on contract will be a contract with a base year plus 4 option years.


12. **Requirements Certification:** I certify that the requirement outlined in this justification is a Bona Fide 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.


JERALD PETERS
Business Manager
General Medicine Service, 663

1/31/2014
Date

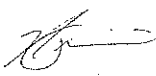
13. **Approvals in accordance with FAR 6.304**

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


DARLENE ANDERSON
Contracting Officer
VISN 20

1-31-2014
Date

- b. **NCM/PCM (Required \$3K and above):** I certify the justification meets requirements for other than full and open competition.


Digitally signed by Nicholas M. Jenkins
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Nicholas M. Jenkins
Director of Contracting
Network Contracting Office 20 (NCO 20)

2/6/2014