

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, VISN-12 Great Lakes Acquisition Center, 115 South 84th Street, Milwaukee WI 53214 on behalf of the William S. Middleton Memorial Veterans Hospital, 2500 Overlook Terrace, Madison, Wisconsin.
2. **Nature and/or Description of the Action Being Processed:** New Contract award for services. Specifically University of Wisconsin Hospital and Clinics (UWHC) to provide specialized clinical lab testing for patients at the Madison VA. This contract will have a twelve-month base period from date of award with one twelve-month option. The estimated value of this contract is \$235,000.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:**
The Madison VAH has a requirement for specialized and emergency clinical lab testing they cannot provide for patients being treated in the Emergency area and also patients in acute distress. Additionally the Madison VA is a national VA center for cardiac and lung transplants. These patients require very specific lab tests for immediate intervention and treatment. Although some of these tests are available on a routine basis via another contract when pre-transplant screening is required, this requirement is for post-transplant and emergency testing and for tests not available on any other contract. Therefore this agreement would not be in violation of any existing contracts.
The base period will be for a twelve-month base period with one (1) twelve-month option.
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;
5. **Demonstration that the Contractor's Unique Qualifications or Nature of the Acquisition Requires the Use of the Authority Cited Above (applicability of authority):**
The UWHC is an academic affiliate of the William S. Middleton Memorial Veterans Hospital. There is a contract in place between the UWHC and the Madison VAH for cardiothoracic transplants. The actual transplant occurs at the UWHC and the patient is transferred to the VA Hospital for recovery and follow-up. It is critical to have the same clinical lab perform the pre-transplant and post-transplant testing using the same lab equipment and methodologies.
Since the Madison VAH and the UWHC are physically connected there is no requirement for a courier service to transport the specimens between facilities thus avoiding an additional delay in testing.
6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:**
Market research has shown that there is very limited availability in a small geographic area for the services required. The technical end users did review the published product catalogue with price lists for the only two hospitals with full-service clinical labs that could provide the level of lab

studies required. Neither of these facilities could provide all of the tests required. These hospitals send some of their own specimens to UWHC for testing.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The intention of the VA is that the testing be provided at Medicare rates which are approved by the Government. The VA reviews all charges and adjusts pricing according to yearly Medicare rates. Since Medicare rates are adjusted on January 1 of each year, rates would only need to be adjusted if the final contract period does not match the calendar year.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:**

The UWHC and Madison VA Hospital are physically connected which allows for specimens to be directly sent from one lab to the other without the need for a courier. This decreases the test result turn-around times which is essential in emergency situations in order for the VA to provide the best care possible for our veterans. The UW also acts as a back-up to our Surgical Teams in the event that a patient needs to be transferred to a facility that has the resources available to provide the care needed for more complicated cases. Without this ability the VA could not perform many of the complicated cases they currently conduct.

Facility technical experts/end users reviewed the requirements of the Madison VA and determined the required turn-around time for each of the Specialized and Emergency clinical tests required. There is a contract in place for routine testing which cannot be performed in-house. However, this contractor cannot meet the turn-around time required for emergency testing in acutely ill patients. The published product catalogue with price lists for the two hospitals in the Madison area that provided full clinical lab services were reviewed for testing availability and turn-around time. These facilities did not perform all of the tests in-house, but instead these hospitals send their required testing to the University of Wisconsin Hospital and Clinics. For those tests that were available at the other hospitals, the turn-around time did not meet the requirements due to various reasons. One of the major problems identified with meeting the turn-around time was the transport of the specimen to the other facilities. This is not an obstacle with the University of Wisconsin Hospital and Clinics (UWHC). The UWHC is physically connected to the Madison VAH. Additionally, there is a pneumatic tube system between the UWHC lab and the Madison VAH Lab. If for any reason the pneumatic tub system is not functioning, the specimens can be hand-carried to the UWHC. There will be no additional charge required for courier services.

A dynamic Small Business Search for SDVOSB or VOSB in Wisconsin showed two businesses. One business was located in Madison and provided Diagnostic Radiology Services. The second business was located in Green Bay which is a located 137 miles from the Madison VA Hospital and would not be able to meet the emergency turn-around time requirement.

A Sources Sought was published on FBO. The posting included a complete test list with turnaround time requirements. No responses or inquiries were received for the Sources Sought.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:**

The 2-hour turn-around time required for the emergency lab testing restricts the geographical area where the specimens can be transported. Market research showed that some of the required testing is offered at local hospitals. However, the testing is actually performed at the University of

Wisconsin Hospital and Clinics laboratories when the specimen is sent by the local hospital lab to the UWHC for testing. This increases the time and costs for tests.

10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

None

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:

This acquisition is being set-up for a twelve-month base period and one option period of twelve months. This will provide the opportunity to evaluate the contract results and determine if a new solicitation could be performed competitively and for a longer period of time.

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.

Margaret Durkin
Margaret Durkin
Administrative Director P&LMS, VISN 12
Zablocki VA Medical Center

July 29, 2013
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.

Rose Birkholz
Rose Birkholz
Contracting Officer
VISN 12, Great Lakes Acquisition Center

7/29/2013
Date

Team Manager: I certify the justification meets requirements for other than full and open competition.

James Hedman
Specialized Team Manager
VISN-12

Date

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

Christine Hansen
Network Contract Manager
VISN 12

Date