

U.S. DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval (J&A)

for

Other Than Full and Open Competition

1. **Contracting Activity:** The U.S. Department of Veterans Affairs (VA), Network Contracting Office (NCO) 17, located at 124 E. Hwy 67, Duncanville, TX, proposes to enter into a firm-fixed price (FFP) Indefinite Delivery/Indefinite Quantity (ID/IQ) sole source contract on the basis of for Other Than Full and Open Competition for the VA North Texas Veterans Health Care System (VANTHCS) – Bonham Division. The Purchase Request number is 549-14-1-628-0002.
2. **Nature and/or Description of the Action Being Processed:** Purchase request 549-14-1-628-0002 for the acquisition of ambulance services for the Sam Rayburn Memorial Veterans Center located at 1201 E 9th Street, Bonham, TX 75418 was received on 8/6/13. This action will be awarded as a follow on contract to replace the current contract (VA257-V-0783) that expires on 9/30/13. The contract action will be a FFP ID/IQ sole source contract that will include a one base year period, plus four one year option periods. The contractor shall accomplish all ambulance transportation services to meet the requirements of Advanced Life Support (ALS) and Basic Life Support (BLS) requirements as outlined in the statement of work (SOW). The proposed contractor is the city of Bonham, located at 220 East 5th St., Bonham, TX 75418.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The city of Bonham shall furnish personnel, transportation, supplies, and equipment necessary to provide BLS and ALS ambulance services for the Bonham Division of the VANTHCS. The Contractor shall provide ambulance service for Veteran beneficiaries as requested twenty-four (24) hours per day, three hundred sixty-five (365) days per year (366 days/leap year), including weekends, evening, nights, and all Federal holidays that are observed by the Sam Rayburn Memorial Veterans Center. There will be no subcontracting of services allowed under this contract. The city of Bonham shall meet all criteria detailed in the SOW of the contract. The base period of performance will be 12/1/13 through 11/30/14 with four one year option periods. Additionally, Transaction Number: 549-14-1-628-0003 will fund the continuation of services through the month of November 2013, to avoid interruption of services during the review/approval process of this procurement.
4. The anticipated dollar value for base year is \$427,369.84 with four (1) year option periods for a total estimated value of \$2,136,849.25 (see Figure 1). The estimated base period of performance begins December 1, 2013 through November 30, 2014.

Base Period (12/1/13 – 11/30/14)	\$427,369.85
Option Year 1 (12/1/14 – 11/30/15)	\$427,369.85
Option Year 2 (12/1/15 – 11/30/16)	\$427,369.85
Option Year 3 (12/1/16 – 11/30/17)	\$427,369.85
Option Year 4 (12/1/17 – 11/30/18)	\$427,369.85
Grand Total	\$2,136,849.25

Figure 1

4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC §253(g), as implemented by FAR 6.302.

- (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):** FAR 6.302-1 allows for the procurement of services through Other than Full and Open Competition when the services required by the Agency are available from only one responsible source. On June 5, 2012, Ms. Lisa House, Legal Counsel VA's Regional Office Counsel 5, reviewed Bonham's municipal code, ordinance number 1048, and concurred that the city of Bonham prohibits any outside ambulance contractor from operating within their city limits which creates a sole source environment for SMT services. This acquisition will be made as a sole source firm-fixed (FFP) Indefinite Delivery/Indefinite Quantity (ID/IQ) contract award to the city of Bonham, 220 East 5th, Bonham, Texas, 75418.

6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** In accordance with FAR 5.201, a Special Notice to sole source (VA257-12-R-0392) was publicized on June 18, 2012. There were no inquiries or responses received. On the basis of the municipal code (ordinance number 1048) which designates the city of Bonham as the exclusive provider of these services within the city of Bonham, this procurement will be made to the city of Bonham. A Notice of Award shall be posted within 14 (fourteen) days after award is made.

Other Actions: Also, reference sections 5 and 8 of this J&A.

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The anticipated dollar value for base year is \$427,369.85 with four (1) year option periods for a total estimated value of \$ 2,136,849.25. The estimated base period of performance begins December 1, 2013 through November 30, 2014. The services provided by the city of Bonham, Texas are determined to be commercial in accordance with FAR 2.101.

The VA developed an Independent Government Cost Estimate (IGCE) based upon historical information gathered from the Medical Administrative Service. The estimated quantities were established based on the average number of trips utilized by VANTHCS - Bonham. Pricing was established by utilizing Section 4531 (b) (2) of the Balanced Budget Act (BBA) of 1997, which added a new section 1834 (l) to the Social Security Act which mandated the implementation of a national fee schedule for ambulance services furnished as a benefit under Medicare Part B. It applies to all ambulance services, including volunteer, municipal, private, independent, and institutional providers, i.e., hospitals, critical access hospitals (except when it is the only ambulance service within 35 miles), and skilled nursing facilities.

Medicare rates are published and used by both commercial and government agencies. Medicare is recognized as the Federal health care industry standard for reimbursement rates and VA currently uses Medicare methodologies in connection with multiple medical services needs to help ensure consistent, predictable medical costs and control expenditures. On an annual basis, CMS posts a file detailing the amounts payable under the Ambulance Fee Schedule for the benefit of public consumption to the below CMS Web site:

http://www.cms.hhs.gov/AmbulanceFeeSchedule/02_afspuf.asp#TopOfPage

As follow is the 2013 Texas Ambulance Fee Schedule breakout of the geographic area definitions (rural, urban, super rural) by zip code that is on the CMS website for the VANTHCS' service area.

2013 Texas Ambulance Fee Schedule:

(1) CONTRACTOR /CARRIER	(2) LOCAL	(3) HCPCS	(4) BASE RATE	(5) RVU	(6) GPCI	(7)(a) URBAN BASE RATE / URBAN MILEAGE	(7)(b) RURAL BASE RATE / RURAL MILEAGE	(7)(c) RURAL BASE RATE / LOWEST QUARTIL E	(8) RURAL GROUND MILES 1- 17*
04412	09	A0425	6.95	1.00	n/a	\$7.09	\$7.16	n/a	\$10.74
04412	09	A0426	216.19	1.20	0.987	\$262.21	\$264.78	\$324.62	n/a
04412	09	A0427	216.19	1.90	0.987	\$415.16	\$419.23	\$513.98	n/a
04412	09	A0428	216.19	1.00	0.987	\$218.51	\$220.65	\$270.52	n/a
04412	09	A0429	216.19	1.60	0.987	\$349.61	\$353.04	\$432.83	n/a
04412	09	A0430	2933.78	1.00	0.987	\$2,914.71	\$4,372.07	n/a	\$4,372.07
04412	09	A0431	3410.96	1.00	0.987	\$3,388.79	\$5,083.18	n/a	\$5,083.18
04412	09	A0432	216.19	1.75	0.987	\$382.39	\$386.14	n/a	n/a
04412	09	A0433	216.19	2.75	0.987	\$600.89	\$606.79	\$743.92	n/a
04412	09	A0434	216.19	3.25	0.987	\$710.15	\$717.11	\$879.18	n/a
04412	09	A0435	8.32	1.00	n/a	\$8.32	\$12.48	n/a	\$12.48
04412	09	A0436	22.21	1.00	n/a	\$22.21	\$33.32	n/a	\$33.32
04412	11	A0425	6.95	1.00	n/a	\$7.09	\$7.16	n/a	\$10.74
04412	11	A0426	216.19	1.20	1.017	\$267.77	\$270.39	\$331.50	n/a
04412	11	A0427	216.19	1.90	1.017	\$423.96	\$428.12	\$524.87	n/a
04412	11	A0428	216.19	1.00	1.017	\$223.14	\$225.33	\$276.25	n/a
04412	11	A0429	216.19	1.60	1.017	\$357.02	\$360.52	\$442.00	n/a
04412	11	A0430	2933.78	1.00	1.017	\$2,958.72	\$4,438.08	n/a	\$4,438.08
04412	11	A0431	3410.96	1.00	1.017	\$3,439.95	\$5,159.93	n/a	\$5,159.93
04412	11	A0432	216.19	1.75	1.017	\$390.49	\$394.32	n/a	n/a
04412	11	A0433	216.19	2.75	1.017	\$613.63	\$619.65	\$759.69	n/a
04412	11	A0434	216.19	3.25	1.017	\$725.20	\$732.31	\$897.81	n/a
04412	11	A0435	8.32	1.00	n/a	\$8.32	\$12.48	n/a	\$12.48
04412	11	A0436	22.21	1.00	n/a	\$22.21	\$33.32	n/a	\$33.32

Additionally, 42 CFR Ch. IV § 414.620. Publication of the ambulance fee schedule states that

changes in payment rates resulting from incorporation of the annual inflation factor described in § 414.610(f) will be announced by notice in the FEDERAL REGISTER without opportunity for prior comment. CMS will follow applicable rulemaking procedures in publishing revisions to the fee schedule for ambulance services that result from any factors other than the inflation factor. So when looking at the four possible option years, the escalation consideration shall therefore follow the published Texas ambulance fee schedule.

The base-price was established by multiplying the six (6) line items by the estimated quantity of one way trips for a twelve month period by the current unit rates from the 2013 Texas Ambulance Fee Schedule.

Item	Description	Estimated Quantity	Unit	Unit Cost	Total Cost
0001	Advanced Life Support (ALS) Emergency One way Only: HCPCS Code A0427 From Bonham VA Clinic to designated/ordered location	275	one way trip	\$324.62	\$89,270.50
0002	Advanced Life Support (ALS) Non-Emergency One way Only: HCPCS Code A0426 From Bonham VA Clinic to designated/ordered location	35	one way trip	\$264.78	\$9,267.30
0003	Advanced Life Support (ALS) Level 2 One way Only: HCPCS Code A0433 From Bonham VA Clinic to designated/ordered location	35	one way trip	\$743.92	\$26,037.20
0004	Basic Life Support (BLS) Non-Emergency One way Only: HCPCS Code A0429 From Bonham VA Clinic to designated/ordered location	65	one way trip	\$353.04	\$22,947.60
0005	Basic Life Support (BLS) Emergency One way Only: HCPCS Code A0428 From Bonham VA Clinic to designated/ordered location	165	one way trip	\$220.65	\$36,407.25
0006	Mileage Rate Per Mile Traveled Mile quantity estimated on an 83 mile trip from Bonham VA Clinic to Dallas VAMC : HCPCS Code A0425	34,000	one way trip	\$7.16	\$243,440.00
Total Estimated Base Period:					<u>\$427,369.85</u>

The Contracting Officer has determined the anticipated cost to be fair and reasonable based on historical price analysis performed by comparing the previous contract unit prices with the IGCE and the Texas Ambulance Fee Schedule. The current contract pricing was derived from the Texas breakout of geographic area definitions (rural, urban, and super rural) by zip code found on website: https://www.cms.gov/AmbulanceFeeSchedule/02_afspuf.asp and are aligned with proposed estimated pricing. Cost or pricing data will not be required.

Pricing techniques as described in FAR 15.404-1(b)(2), will be used to establish price fairness and reasonableness. See section number 3.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** As described in section number 6 of this J&A, Market Research, in accordance with FAR Part 10, was conducted by Special Notice of the proposed acquisition, advising industry of the pending sole source acquisition. Ambulance services are commercial in nature and available to all commercial entities. Market research utilizing the Small Business Administration (SBA) search engine and NAICS code 621910 used

specifically for ambulance service provider companies was used to look for available Small Businesses concerns in Texas. A search was also conducted on VIP search engine using the same NAICS code and both searches resulted in available contractors. The SBA identified 95 small businesses in Texas and the VIP search identified 9 veteran owned small businesses in Texas. However, the city ordinance imposed by the city of Bonham does not allow the VA to solicit any of the vendors found through these searches; as such this will be sole source procurement. In the future, if the city ordinance expires or is not reinstated or renewed allowing for outside vendors to operate within Bonham city limits, the VA will seek a competitively awarded contract amongst SDVOSB/VOSB or small business vendors.

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

See Section 8 of this J&A.

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

A Source Sought Notice (VA257-12-R-0392) to sole source was publicized on June 18, 2012, via FedBizOpps, and no responses were received.


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

In the future to remove barriers and foster competition the Contracting Officer will make every effort based on Market Research and use of synopsis to determine if the requirement can be competed amongst qualified SDVOSB/VOSB or small businesses. The city Ordinance imposed by the city of Bonham does not allow the Department of Veterans Affairs to solicit from other vendors at this time. In the future if the city ordinance expires or is not reinstated or renewed allowing for outside vendors to operate within Bonham city limits, the VA will seek a competitively awarded contract amongst SDVOSB/VOSB or small business vendors.

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.



Debbie Rattan
Medical Administration Officer
North Texas VHCS Bonham



Date

13 Approvals: in accordance with FAR 6.304

a. CONTRACTING OFFICER'S CERTIFICATION: I certify that the justification meets requirements for other than full and open competition. I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Brian K. Delaney
Brian K. Delaney
Contracting Officer
NCO 17, SAO-W

10-4-13
Date

b. **FIRST SUPERVISOR:** I certify that the justification meets requirements for other than full and open competition. I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Tanzania Brown
Tanzania Brown
Supervisor, Supply/Services
NCO 17, SAO-W

10/8/13
Date

c. **NCM:** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Calvin Q. Ma
Calvin Q. Ma
Acting Network Contract Manager
NCO 17, SAO-W

9 Oct 13
Date

d. **SAO:** I certify the justification meets requirements for other than full and open competition.

Delia A. Adams
Delia A. Adams, MBA, CPCM
Director, SAO-W

10-18-13
Date

e. **VHA HCA Review and Approval:** I have reviewed the foregoing justification and find it to be complete and accurate to the best of my knowledge and belief and approve for other than full and open competition.

Norbert S. Doyle
Approval/Disapproval
Norbert S. Doyle
Chief of Procurement and Logistics Office
VHA Head of Contracting Activity (HCA)

10/24/13
Date