

JUSTIFICATION FOR A SOLE SOURCE AWARD
UNDER THE TEST PROGRAM FOR CERTAIN COMMERCIAL ITEMS

1. Contracting Activity: Department of Veterans Affairs
Office of Acquisition Operations
Strategic Acquisition Center
10300 Spotsylvania Avenue, Suite 400
Fredericksburg, VA 22408

2. Nature and/or Description of Action Being Processed:

The proposed action is for award of a sole source two-month firm fixed-price (FFP) purchase order in the amount of \$191,269.00 for the continuation of accreditation services for Veteran's Health Administration (VHA) Clinical Laboratories. There are 43 clinical laboratories expiring during this time frame that require inspection to maintain accreditation. The College of American Pathologists (CAP), 325 Waukegan Road, Northfield, IL 60093, is the only company that can maintain VHA's accreditation while a competitive follow on action is being processed. Pursuant to The Services Acquisition Reform Act of 2003 this requirement is defined as a commercial item. This requirement is being procured under FAR 13.5 Test Program for Certain Commercial Items utilizing simplified acquisition procedures for awarding sole source. In addition to using simplified acquisition procedures, the special documentation requirements of 13.501 (a) have been followed including preparing a sole source Justification and Approval (J&A), using the format required in FAR 6.303-2. The justification will be made publically available required by 13.501 (a)(1)(iii) within 14 days after contract award.

3. Description of Supplies or Services Required to Meet the Agency's Needs:

The proposed action is to ensure VHA continues to have its clinical laboratories undergo an accreditation process whereby a professional association or non-governmental agency grants recognition to the healthcare institution for demonstrated ability to meet pre-determined criteria for established standards of VA's policy (VA Handbook 1106.01). VA's policy states that its clinical laboratories are to be accredited by a Centers for Medicare and Medicaid Studies (CMS) approved accrediting organization in order to ensure that certain standards of quality and safety are met. Laboratory accreditation also mandates compliance with health care quality, pay or standards both public (e.g., Medicare) and commercial.

The accreditation process is a complex system of related and interdependent activities. It includes pre-survey activities (e.g., application, self-assessment submission, the accreditation survey itself), post survey activities (e.g., communication of and response to survey findings), and ongoing activities (e.g., quality data submission). It involves unannounced accreditation surveys which occur every two (2) years.

Accreditation not only confers recognition that VHA laboratories meet certain standards of quality and safety, but also confers deemed compliance with the laboratory standards of payors, both public and commercial.

This purchase order includes the below surveys:

| CAP Number | Accreditation Fee | Laboratory Name | Billing Month |
|------------|-------------------|--|---------------|
| 42D0987417 | \$6,416.00 | VA Medical Center Charleston-Pathology & Laboratory Medicine Services 113 | October |
| 25D0987268 | \$6,668.00 | G V Montgomery VA Med Center-Pathology & Laboratory Medicine Service | October |
| 33D0987193 | \$7,202.00 | James J Peters VAMC-Pathology & Laboratory Medicine Service | October |
| 04D2013176 | \$1,516.00 | CAVHS Conway CBOC-Limited Laboratory | October |
| 04D0986874 | \$9,830.00 | VA Medical Center Little Rock-Pathology & Laboratory Medicine Service | October |
| 04D0986903 | \$2,566.00 | VA Medical Center North Little Rock-Laboratory 113 | October |
| 04D2013175 | \$1,936.00 | CAVHS Russellville CBOC-Laboratory | October |
| 40D0987710 | \$9,338.00 | VA Medical Center Puerto Rico-Path & Lab Med Svc Laboratory | October |
| 04D1105695 | \$1,642.00 | CAVHS Searcy CBOC-Searcy CBOC | October |
| 33D1038291 | \$1,390.00 | White Plains VA-Coumadin Clinic | October |
| 43D0987115 | \$6,164.00 | VA Med Ctr & Reg Office Sioux Falls-Pathology & Lab Medicine Service 113 | October |
| 34D0987612 | \$6,584.00 | VAMC - Durham-Pathology & Laboratory Medicine Service 113 | October |
| 05D0988249 | \$7,286.00 | VA San Diego Healthcare System-Pathology & Laboratory Medicine Service | October |
| 18D1059788 | \$1,390.00 | VA Northern Kentucky HC Associates-Laboratory | October |
| 51D0987620 | \$4,928.00 | VA Medical Center Beckley West Virginia-Laboratory | October |
| 44D0987282 | \$5,012.00 | Tennessee Valley HC System Alvin C York Campus-Pathology & Laboratory Medicine | October |
| 29D0988228 | \$6,080.00 | VA Sierra Nevada Hlth Care Sys-Pathology & Laboratory Med Svc | October |
| 29D0991216 | \$1,390.00 | VA Sierra Nevada Health Care System-Blood Gas Lab | October |
| 47D0991214 | \$5,012.00 | VA Medical Center-White River Junction-Laboratory | October |
| 51D0987617 | \$6,122.00 | VA Medical Center Martinsburg-Pathology & Laboratory Medicine Service | October |
| 33D0987189 | \$7,286.00 | VAWNY Healthcare System-Pathology and Laboratory Medicine | October |
| 34D0987614 | \$4,676.00 | Fayetteville VAMC-Pathology & Lab Medicine Services 113 | October |
| 05D0988230 | \$3,619.00 | VA Palo Alto Health Care System-Pathology & Lab Medicine Service - Livermore | October |
| 05D0988231 | \$1,642.00 | VA Palo Alto Health Care System-Pathology & Laboratory Med Svc - Menlo Park | October |

| | | | |
|----------------------------|------------|---|----------|
| 05D0988229 | \$9,254.00 | VA Palo Alto Health Care System-Pathology & Lab Medicine Service 113 | October |
| 05D0988233 | \$2,020.00 | VA Palo Alto Health Care System-Pathology and Laboratory Med Svc - San Jose | October |
| 05D0988236 | \$2,020.00 | VA Palo Alto Health Care System-Pathology & Laboratory Med Svc - Monterey | October |
| 21D0987063 | \$2,566.00 | Perry Point VAMC-Pathology & Lab Medicine Service 113 | October |
| 49D0987905 | \$6,206.00 | VAMC Hampton-Pathology & Laboratory Med Svc | October |
| 49D1065754 | \$1,390.00 | Norfolk/Virginia Beach CBOC-P&LMS Laboratory | October |
| 19D0987275 | \$3,325.00 | Southeast Louisiana Veterans Health Care System-Path & Lab Med Svcs Baton Rouge Lab | November |
| 44D0987288 | \$2,230.00 | Chattanooga VA Outpatient Clinic-Laboratory | November |
| 45D0987928 | \$9,464.00 | Michael E DeBakey VAMC-Pathology & Laboratory Medicine | November |
| 22D0989793 | \$2,608.00 | VA Medical Center Bedford (Edith Nourse Rogers)-Path & Lab Medicine Service (113) | November |
| 22D0989790 | \$3,409.00 | VA Boston Healthcare System-Jamaica Plain Division Laboratory | November |
| 22D0989791 | \$2,440.00 | VA Boston Healthcare System-Brockton Division Laboratory | November |
| 22D0989792 | \$8,708.00 | VA Boston Healthcare System-West Roxbury Laboratory Service 113 | November |
| 38D0988128 | \$2,650.00 | Southern Oregon Rehabilitation Center and Clinic-Clinical Laboratory 113 | November |
| 17D0987875 | \$6,164.00 | VA Medical Center Leavenworth-Pathology & Laboratory Medicine Section 115A | November |
| 44D1101343 | \$1,390.00 | VAMC Memphis-Jackson CBOC Laboratory | November |
| 44D0987294 | \$6,950.00 | VA Medical Center Memphis-Pathology & Laboratory Medicine Services 113 | November |
| 44D1057644 | \$1,390.00 | VAMC Memphis-VAMC South Clinic | November |
| 44D1057641 | \$1,390.00 | VAMC Memphis-VAMC North Clinic Laboratory | November |
| TOTAL: \$191,269.00 | | | |

4. Statutory Authority:

Pursuant to The Services Acquisition Reform Act of 2003 this requirement is defined as a commercial item. This requirement is being procured under FAR 13.5 Test Program for Certain Commercial Items utilizing simplified acquisition procedures for awarding sole source. In addition to using simplified acquisition procedures, the special documentation requirements of 13.501 (a) have been followed including preparing a sole source justification, using the format at 6.303-2. The justification will be made publically available, as required by 13.501 (a)(1)(iii), within 14 days after contract award.

5. Rationale for Authority:

This sole source purchase order to CAP will ensure that there will not be a break in laboratory accreditation (and support). A break in laboratory accreditation would be detrimental to VHA medical facilities that the laboratory services. CAP is currently providing accreditation services for 263 VHA laboratories, which encompass all aspects of accreditation-related activities that are offered and conducted on a continuous basis. It is imperative that these laboratory accreditation services continue which can only be provided by CAP at this time. Any delay in this support would leave "gaps" in accreditation, which would raise congressional interest on the quality of patient care that is being performed by a laboratory that is not accredited.

Only CAP has the required background, knowledge, and experience that is critical to the successful completion of laboratory accreditation in the timeframe needed.

6. Actions to Increase Competition:

An intent to Sole Source was posted to (FBO) on August 11, 2014. Additionally, this Justification and Approval document will be posted within 14 days after contract award in accordance with FAR 13.501 (a)(1)(iii).

7. Market Research:

An intent to Sole Source was posted to (FBO) on August 11. Additionally, this Justification and Approval document will be posted within 14 days after contract award in accordance with 13.501 (a)(1)(iii).

Based on the market research for the follow on contract, the Government's technical team experts have determined that only The College of American Pathologists can perform the services for this action in the time frame needed to ensure continuous quality support to our veterans. However, the follow on contract will be competed full and open.

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

While conducting market research for the follow on effort, all companies contacted indicated that there would be an extensive transition period to transfer contracts.

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

None.

10. 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 Strategic Acquisition Center is working with the Program Office to conduct a competitive follow on acquisition for the Accreditation Program for Clinical Laboratories.

11. Technical and Requirements Certification:

I certify that the supporting data under my recognizance, which are included in this justification, are accurate and complete to the best of my knowledge and belief.

Signature _____
Robert A. Mann
Office of Pathology and Laboratory Services

Date 8/27/2014

12. Fair and Reasonable Cost Determination:

The Contracting Officer anticipates that through comparison of the proposed price with prices found reasonable on previous purchases, current price lists, and the independent government estimate will determine the price fair and reasonable.

Signature _____
James S. O'Quinn
Contracting Officer

Date _____

13. Contracting Officer's Certification:

I certify that this justification is accurate and complete to the best of my knowledge and belief. As this contract does not exceed \$650,000.00, the certification below required by FAR 13.501 (a)(2)(i) serves as approval.

Signature _____
James S. O'Quinn
Contracting Officer

Date _____