

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
<b>TOTAL:</b>	<b>\$191,269.00</b>		

#### 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 \_\_\_\_\_