

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. Contracting Activity:

Department of Veterans Affairs
Program Contracting Activity Central (PCAC)
6150 Oak Tree Blvd. Suite 300
Independence, Ohio 44131

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

Request is for approval to use other than full and open competition (Sole Source) to award a firm fixed price contract to Walgreens for the procurement of retail influenza immunizations. The Veterans Health Administration is requesting a firm-fixed price contract be put in place for retail influenza immunizations nationally with retailers with approved and tested health record integration with the VA. With this is a new pilot acquisition the VA is interested to explore how the convenience of immunizations at retail providers combined with integrated immunization health records can be used to significantly increase access to influenza vaccinations and to improve overall immunization rates for Veterans. Specifically, VA is working to provide a more accurate real time view of Veteran immunizations with the objective of early identification of high risk Veterans who have not received a flu shot. The purpose of the acquisition will be to better understand Veteran demand for retail immunizations and to address the operational and financial requirements for future immunization acquisitions.

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

a) **Description of Services:** This one year pilot requirement is to provide both a more convenient method for veterans to receive influenza immunizations by targeting national retailers while also working through the issues related to procurement of low cost high volume flu immunizations and the associated integration of the veterans' health record. The Contractor shall be able to provide influenza immunization services at a significantly greater number of nationwide locations than the total number of VA medical facilities (969). Providers shall be an active member of the Healthway.org eHealth Exchange with an executed Data Use and Reciprocal Support Agreement that remains in full force. In addition the retailer shall be able to provide a single point of health record integration for all immunization locations and must have demonstrated end-to-end production testing of electronic document submission with VA using the eHealth Exchange "push" technology. The intent in following years is to have multiple national retailers in place to provide immunizations as additional retailers complete the integration process.

b) **Estimated Dollar Value: \$3,000,000**

- c) **Period of Performance:** The 2014-15 flu immunization season which is estimated to be from September 2014 through February 2015.

4. Statutory Authority Permitting Other than Full and Open Competition:

41 USC §253(c)(1), as implemented by FAR 6.302-1(b)(1)(i)

- (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):

Walgreens is currently the only vendor capable of providing near real time immunizations records to VA via the VA Virtual Lifetime Electronic Record (VLER Health) and the eHealth Exchange push technology in time for the 2014 flu season. The receipt of push immunization records is necessary to enable VA to maintain a near real time population health view of immunization status while also automatically resolving a clinical reminder for Veterans who have received their flu shots at Walgreens. The Walgreens/VA immunization record integration will be available nationwide for the 2014/2015 flu season (September, 2014 through February, 2015).

6. Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:

A notice of intent to sole source, reference number VA701-14-I-0239, was issued on July 28, 2014 on FBO and no responses were received. VA VLER health has confirmed that Walgreens is currently the only vendor with eHealth Exchange push integration. In addition, other national retailers have been contacted about the Retail Immunization Care Coordination program and to verify they have not completed integration for the 2014-15 influenza immunization season. In the case of CVS, integration discussions are already underway, yet due to the timeframe of their EPIC EHR rollout, they will not be able to meet the requirements for the 2014-15 influenza immunization season. The intent in following years is to make this program available and to continue to work closely with any national retailers who can provide this service with the required integration.

7. Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:

All pricing will be determined fair and reasonable prior to award. There is a substantial amount of market pricing data available to the public showing the retail prices of influenza immunizations which will be utilized. Also the reimbursement amounts for Medicare/Medicaid patients, if publically available from the Centers for Medicare/Medicaid, will be referenced when negotiating pricing.

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:**
See Section VI. Walgreens was the 1st and only retail pharmacy to date to become a member of the Healthway.org eHealth Exchange. In addition, a Vender Information Pages (VIP) database, <https://www.vip.vetbiz.gov/> search was queried using North American Classification System (NAICS) code 446110 and as a result, zero (0) businesses were located.

9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** VA tested with Walgreens the integration of health records in the Florida region of VISN 8 for the 2013/2014 flu season. Many lessons were learned about the integration requirements, the role of clinical reminders and the insurance coverage available to veterans. For the 2014/2015 flu season, VA is able to support the integration nationally and would like to better understand national Veteran demand for VA funded immunizations as well as how to cost effectively administer the procurement of high volume/low cost retail influenza immunizations. By resolving these key questions we believe that VA will be able to effectively address issues that arise during the 2014/2015 flu season and to make informed decisions about the future direction of the program.

10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** See Section VI above

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 proposed acquisition is for a one year pilot program for the 2014/2015 flu season only. The retail immunization care coordination program is an open program for any retail provider. Discussions are already underway to integrate immunization records from CVS and other national influenza vaccination providers.

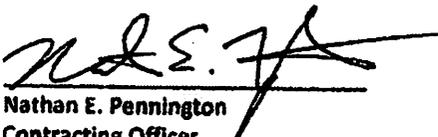
12. **Requirements Certification:** I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge and belief.


Douglas Trauner
Entrepreneur in Residence
VA Center for Innovation

8/12/2014
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.


Nathan E. Pennington
Contracting Officer
Program Contracting Activity Central

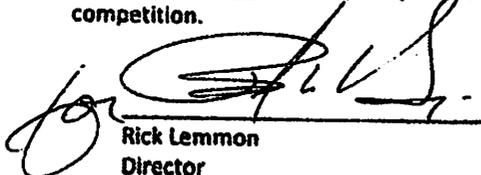
8/12/2014
Date

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


Richard Dahmen
Director of Contracting
Program Contracting Activity Central

8/12/2014
Date

- c. **SAO (If over 650K):** I certify the justification meets requirements for other than full and open competition.


Rick Lemmon
Director
Service Area Office, Central

13 Aug 14
Date

- d. **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 recommend approval (if over \$12.5 million) or approve (\$650K to 12.5 million) for other than full and open competition.


for Norbert Doyle
Chief Procurement and Logistics Officer
VHA Head of Contracting Activity (HCA)

8-13-14
Date