

**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:**

The Veterans Health Administration (VHA) is requesting an award of a firm-fixed price contract to advise and assist VHA in building and refining a unique VHA model to establish a culture focused on relationships that incorporates the VHA core values, mission and vision, and that has personal and organizational transformation components for the entire organization's system of care.

VHA Voices is an initiative that focuses on fully implementing personalized, patient centered care. This transformation requires commitment to:

- VA Relationships
  - To engage Veterans in their health and healthcare
  - To promote team development and functioning
- VA Values, Key Characteristics, and Culture
  - To draw out connections between VA ICARE and personal values
  - To engage and activate staff in engaging and activating patients
- VA Alignment
  - To provide transparent and effective data feedback for a culture of continuous improvement
  - To hire, develop, and retain staff

VHA Voices is striving to provide employees with the knowledge and tools to operate effectively in a team based care delivery model aimed at engaging Veterans in personalized, proactive, patient-driven health care. The VHA will pilot VHA Voices in up to eight sites in fiscal year 2015.

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

- (a) **Description of Services:** This requirement is to provide advice and assistance specifically related to the VHA Voices initiative. The Contractor shall provide services needed to support key objectives as stated in the Statement of Work, specifically:

- Workforce Development
- Leadership Engagement
- Curriculum Adaptation, Development and Engineering
- Data Analytics
- Resource Alignment
- Results

The Contractor shall have a thorough understanding of how VHA currently measures health care by individual patient encounters and the need to transform that model into a health care system that is based on sustained relationships that focus on the whole person.

**a) Estimated Dollar Value: \$785,465.00**

**b) Period of Performance: One (1) year starting after the award date.**

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

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

- (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 38 U.S.C. § 8127(c), Veterans First Contracting Program
- ( ) (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):**

The VHA Voices initiative was started more than a year ago based upon the award-winning Nuka health care delivery model which was created and implemented by only Southcentral Foundation (SCF) located in Anchorage, AK. SCF is an Alaska Native-owned, nonprofit organization serving about 60,000 Alaska Native and American Indian people. SCF's 'Nuka System of Care' is a very unique primary care-oriented model revolving around empanelment (patient matching to an integrated and comprehensive care team); open access (same-day scheduling flexibility and extended hours); and team-based care (coordinated care delivered by physicians or physician assistants, nurses, certified medical assistants, behavioral health consultants, nutritionists, and administrative staff all working in a team). Overall, the Nuka System is associated with improved health outcomes, patient satisfaction, and staff satisfaction, while reducing emergency room utilization, hospital admissions, and specialist visits. Only SCF had the experience in the federal sector of administering an initiative like Nuka where health care relationships between the patient and the provider are often longitudinal and personal, creating a unique relationship between the customer and the government

which is why their model was selected by VHA leadership from 4 different VISNs as well as the VHA Voices Steering committee.

A VHA Voices Steering Committee was formed in 2013 to provide oversight on the initiative and since that time a substantial amount of resources has been expended in the past year in creating and piloting the VHA Voices initiative based upon SCF's Nuka model. During the last year, SCF has spent significant time with individuals from VHA educating them on areas such as how the patient interface is different, how the roles of physicians, PAs, RNs, etc. is changed under Nuka, and how to change in physical layout of a clinic to successfully implement Nuka. They have learned about our care system and they understand our goal to transform the healthcare system. They relate to VHA and know what guidance to provide to effectively transform to a patient centered relationship based care model. Based upon this interaction VHA has begun developing training curriculum, an initiative logic model, a pilot approach, and alignment efforts (e.g., human resources, data feedback). In addition VHA has already completed proof of concept (POC) site projects at Salisbury VAMC, East Orange VAMC, Greater Los Angeles HCS and Alaska VA. SCF provided VHA with on-site assistance at this POC projects.

SCF is the only organization that can provide the required services to take the VHA Voices initiative to the next stage as they are the only organization familiar with the Nuka healthcare model which they developed and have successfully implemented. Partnering with another entity at this stage of transformation would both result in considerable and unnecessary duplication of costs for VHA that could not be expected to be recovered through competition as well as a delay of the VHA Voices initiative of at least one (1) year.

Based upon the above, Southcentral Foundation, 4501 Diplomacy Drive, Anchorage, AK 99508 is the only organization/vendor capable of providing the requirement services.

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

A Request for Information (RFI) was released on February 27, 2014 to General Services Administration (GSA) e-Buy! and on March 11, 2014 on Federal Business Opportunities (FBO) under RFI number VA701-14-I-0130.

A Notice of Intent to Sole Source was published to Federal Business Opportunities (FBO) on April 9, 2014.

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

No award shall be made until the Contracting Officer determines the price to the Government to be fair and reasonable. This determination will be based on a comparison of current contract pricing, the Independent Government Cost Estimate and other information made available.

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

Of the RFI responses, three (3) SDVOSBs, one (1) Veteran Owned Small Business (VOSB), two (2) Women Owned Small Businesses, one (1) Small Business, and four (4) Large Business responded to the RFI. Upon reviewing the responses and capability determinations, all of the businesses that responded were not familiar with the Nuka system of care and therefore not capable of meeting the requirements.

Pursuant FAR 10.0002(b)(1), the RFI was published within eighteen (18) months and the results have been determined to be current, accurate, and relevant.

Based on this market research, Southcentral Foundation was the only vendor found capable of meeting this requirement.

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

N/A

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

The below list of interested vendors were determined to not be capable of performing this requirement as detailed in Paragraph 8:

- Atlas Research (SDVOSB)
- Boston Consulting Group (Large)
- Dimensional Concepts (VOSB)
- Gallup (Large)
- ICF Incorporated (Large)
- Job Performance Systems (SB)
- Knowesis (SDVOSB)
- Morgan Business Consulting (WOSB)
- New Designs (SDVOSB)
- Press Ganey (Large)
- Windwalker (WOSB)

**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 contracting and program office will continue to do market research to assist in identifying additional vendors that are capable of performing this work with the intent to pursue future awards as competitive.

**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.**