

Attachment 2: Request for Sole Source Memo Format

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval

For

Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, VISN 20, 1495 Wilmington Drive, Suite 360, DuPont, WA 98327 for the Puget Sound Healthcare System (PSHCS). This is "Justification for Other Than Full and Open Competition for a Mobile MRI Unit and Technician." The purchase request (i.e. 2237) number is 663-15-1-531-0001 for \$578,340.00 to Reliable Staffing Services, Inc. DBA: Reliable Staffing (a small business). Reliable Staffing's registration in SAM is current with no exclusions.
2. **Nature and/or Description of the Action Being Processed:** Under the provisions of FAR 6.302-1 Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements award a new Firm-Fixed Price contract for six (6) month with a six (6) month Option under FAR 52.217-9 to Reliable Staffing Services, Inc. DBA: Reliable Staffing (a small business). The current contract will expire on 31 October 2014. A new contract with a base period of six (6) months plus one six (6) month option period will allow time for the VA to determine if the construction of a VA's new MRI facility is near completion to move the Fixed VA's MRI unit into the new facility. The new facility will house two (2) MRI units when completed. Anticipated number of MRIs per month is approximately 400 - 500 MRIs. The Fixed MRI unit in the old building is currently being used at the same time as the Mobile MRI unit to meet patient demand. Construction is ongoing and a firm completion date has not yet been established.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** The service required is a Mobile MRI unit with a Technician for the PSHCS while a building is being completed to house the two (2) VA MRI Units. Reliable Staffing has been providing continuous Mobile MRI Unit services to PSHCS for approximately seven (7) years and six (6) months under contract numbers VA260-P-0091, VA260-P-0432, and VA260-14-P-0187. The current contract expires on 31 Oct 2014. The estimated cost for the base six (6) months is \$289,170.00 plus six (6) month extension \$289,170.00 totaling \$578,340.00. The estimated number of MRIs provided, per COR, is approximately 200 - 250 per month for the Fixed MRI and 200 - 250 per month for the Mobile MRI. The current Mobile MRI contract, VA260-14-P-0187, is charged approximately [REDACTED].
4. **Statutory Authority Permitting Other than Full and Open Competition:** 41 USC 5253(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 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):**

a. **Only One Responsible Source (FAR 6.302-1) – follow-on contract**

Accordingly, Reliable Staffing Services, Inc. dba: Reliable Staffing is the only firm capable of providing the services described in Section III above without the Veteran's Health Administration experiencing substantial duplication of cost that could not be expected to be recovered through competition and unacceptable delays in fulfilling its requirements." Any delays will require MRI's to be outsourced on a FEE basis ranging from \$412.40 to \$659.60 depending on CPT Code.

6.

REDACTED

7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** The contracting officers anticipated cost is considered fair and reasonable on the basis of comparing Medicare rate, cost for fee and price charged in previous contracts. Reliable Staffing will be required to provide pricing by CPT Code and hourly rate of technologist. The estimated number of Mobile MRIs provided, per COR, is approximately 200 -250 per month. The current contract, VA260-14-P-0187, is charged [REDACTED] compared with the Medicare Rate or Cost for FEE basis.

CPT CODES PROVIDED BY PSHCS FOR MOBILE MRI

CPT CODE	MEDICARE RATE	COST For FEE	NAME OF SCAN
70336	\$369.76	\$412.40	MRI –Jaw Joint
70540	\$418.02	\$467.41	Orbit
70544	\$471.15	\$528.05	MRI – Head (w/out contract)
70548	\$499.04	\$599.58	MRI – Neck w/contrast
70551	\$441.38	\$493.35	MRI - Brain
70553	\$577.06	\$643.39	MRI -- Brain (w/out contrast)
71550	\$482.36	\$539.75	MRI - Chest
72141	\$390.61	\$435.47	MRI – Cervical Spine
72146	\$391.30	\$436.25	MRI – Thoracic Spine

72148	\$385.49	\$430.12	MRI – Lumbar Spine
72156	\$577.21	\$642.75	MRI – Cervical Spine (w/out)
72157	\$536.24	\$596.43	MRI – Thoracic Spine (w/out)
72158	\$564.90	\$629.59	MRI – Lumbar Spine (w/out)
72196	\$484.55	\$541.21	MRI – Pelvis
73220	\$586.88	\$655.31	MRI- Upper Extremity
73720	\$590.67	\$659.60	MRI- Lower Extremity
73725	\$482.11	\$538.12	MRI – Angiography
74181	\$385.95	\$430.77	MRI – Abdomen

8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** Queried VetBiz and Google for Mobile MRI services provided. No results only companies leasing Mobile MRI units. "As described in Section VI above, market research, in accordance with FAR Part 10, was conducted by synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties."

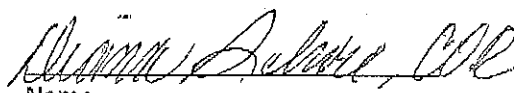
9. **Any Other Facts Supporting the Use of Other than Full and Open Competition:** None

10. **Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:** None "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 action to be taken to foster competition for future acquisitions of Mobile MRI services is to award a six month contract with one six month option to allow time to solicit quotes on the open market for the next contract of a base year with four option years. This is planning for unanticipated future delays in completing construction,)


No firm dates available to complete this project. A follow-on competitive acquisition is planned with a planned award date of April 30, 2015.

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.



 Name: _____ Date: 9-16-14
 Title: Contracting Officer's Representative
 Facility:

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.

 9-20-2014
Mary B. Accomando Date
Contracting Officer
Network Contracting Office 20 (NCO 20)

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

 Digitally signed by
nicholas.jenkins@va.gov
DN: cn=nicholas.jenkins@va.gov
Date: 2014.09.20 14:40:11 -07'00'
9/20/2014

Nicholas M. Jenkins Date
Director of Contracting
Network Contracting Office 20 (NCO 20)