

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 the award of a new four month sole source firm fixed-price (FFP) purchase order in the amount of \$389,877.00 for the continuation of accreditation services for Veteran's Health Administration (VHA) Clinical Laboratories with the College of American Pathologists (CAP), 325 Waukegan Road, Northfield, IL 60093.

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

VHA requires that 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 all surveys that take place January through April 2015.

4. Statutory Authority:

Pursuant to Section 4202 of the Clinger-Cohen Act of 1996 (for commercial items) this acquisition will be other than full and open. 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 [REDACTED] 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. CAP is the only company that can meet the requirement to have checklists and standards delivered to a laboratory that requires accreditation four to six months in advance of the accreditation survey. Any delay in this support would leave "gaps" in accreditation.

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:

The justification will be made publically available required by 13.501 (a)(1)(iii) within 14 days after contract award. This effort will allow CAP to continue to perform laboratory accreditation services until the long-term competitively solicited requirement is awarded. The estimated award date for the long-term competitive contract is April 30, 2015.

7. Market Research:

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. While other sources may have the general capabilities to perform the type of work associated with this effort, only CAP, the incumbent contractor, possess the specialized experience to work with the laboratories in the time frame required without a break in service. Also, while conducting market research for the follow on effort, all companies contacted indicated that there would be a four to six month transition period to transfer contracts. This contract will allow the follow-on effort will be competed full and open.

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

The requirement for Lab Accreditation was issued as a solicitation under VA119-14-R-0266 on October 31, 2014 and cancelled on November 12, 2014 due to feedback from

industry and requiring activity. The solicitation was cancelled to allow the government to reassess the requirement. Also, while conducting market research for the follow on effort, all companies contacted indicated that there would be a four to six month 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

[Redacted Signature]

Date

[Redacted Date]

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

[Redacted Signature]

Date

[Redacted Date]