

DEPARTMENT OF VETERANS AFFAIRS

Justification and Approval (J&A) For Other Than Full and Open Competition

1. **Contracting Activity:** Department of Veterans Affairs, NCO 12, Great Lakes Acquisition Center, 115 South 84th Street, Milwaukee, WI 53214.
2. **Nature and/or Description of the Action Being Processed:** Justification and approval for other than full and open competition to establish a new firm-fixed price IDIQ contract for pharmacy first-fill services with Service-Disabled Veteran-Owned Small Business (SDVOSB), Heritage Health Solutions, Inc. for VISN 12 Northern Tier Community-Based Outpatient Clinics (CBOCs).
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** VISN 12's Northern Tier CBOCs require pharmacy first-fill services to include the filling and dispensing of prescriptions; these services are needed only for new and emergent prescriptions. The following parent facilities' CBOCs require these services: William S. Middleton VAH, Tomah VAMC, Clement J. Zablocki VAMC, and the Oscar G. Johnson VAMC.

The total estimated cost for the base six month period and six month option period is \$381,000.

The period of performance is February 1, 2015 through July 31, 2015. There is a six month option to extend services in accordance with 52.217-9, from August 1, 2015 through January 31, 2016.

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

- () (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
- (X) (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):** This sole source is authorized under the authority of 38 USC - §8127-§8128 (Sections 502 and 503 of Public Law 109-461), FAR Part 6.302-5(b), and VAAR 819.7007. Per VAAR 819.7007:

Per VAAR 819.7007:

- (a) A contracting officer may award contracts to SDVOSB concerns on a sole source basis provided:
 - (1) The anticipated award price of the contract (including options) will not exceed \$5 million;
 - (2) The requirement is synopsisized in accordance with FAR part 5;
 - (3) The SDVOSB concern has been determined to be a responsible contractor with respect to performance; and
 - (4) Award can be made at a fair and reasonable price.
- (b) The contracting officer's determination whether to make a sole source award is a business decision wholly within the discretion of the contracting officer. A determination that only one SDVOSB concern is available to meet the requirement is not required.
- (c) When conducting a SDVOSB sole source acquisition, the contracting officer shall ensure businesses are registered and verified as eligible in the VIP database prior to making an award.

A special notice announcing the contract action will be posted to FEDBIZOPPs upon approval of this Justification For Other Than Full and Open Competition. A separate determination of the contractor's responsibility has been made in accordance with FAR 9.

Heritage Health Solutions, Inc. is a verified SDVOSB and is currently providing pharmacy first-fill services for VISN 12. The current task order for these services terminates on January 31, 2015. These services are critical to patient care; it is imperative these services continue without disruption. It is in the Government's best interest to continue to source these services from Heritage Health Solutions, Inc. for up to 12 months as it determines its long-term requirements in anticipation of a new contract vehicle.

- 6. **Description of Efforts Made to ensure that offers are solicited from as many potential sources as deemed practicable:** Efforts made to ensure that offers are solicited from as many potential sources as deemed practicable are not required per the authorities cited in Paragraph 5; the Contracting Officer has determined that Heritage Health Solutions, Inc. is qualified as a SDVOSB.
- 7. **Determination by the Contracting Officer that the Anticipated Cost to the Government will be Fair and Reasonable:** Drug costs are equivalent to the previous VISN 12 contract for CBOC pharmacy first-fill services and current VA contracts nationally for the same requirement with discounts off the Average Wholesale Price of 55% for generic drugs and 15% for brand name drugs. The contractor is providing a 61% discount off its Federal Supply Schedule (FSS) dispensing fee pricing. Per FAR 8.404, FSS pricing has already been determined to be fair and reasonable.
- 8. **Description of the Market Research Conducted and the Results, or a Statement of the Reasons Market Research Was Not Conducted:** The Vetbiz.gov Venter Information Pages (VIP) Database was queried; Heritage Health Solutions, Inc. is listed as a verified SDVOSB.
- 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.
- 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 Government may elect to competitively solicit this requirement in the future.

- 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.

William Stafford
Pharmacy Operations Manager
Clement J. Zablocki VA Medical Center

Date

13. Approvals in accordance with the

- a. **Contracting Officer's Certification (required):** I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

Ashley Johnson
Contracting Officer

Date

- b. **Director of Contracting /Designee (Required \$150K and above):** I certify the justification meets requirements for other than full and open competition.

Acting DoC:

Christine Hansen
NCO 12 Director of Contracting

Date