



Department of Veterans Affairs
NETWORK CONTRACTING OFFICE (NCO)
4811 AIRPORT PLAZA SUITE 600
Long Beach, CA 90815
(562) 766-2249

06/22/2015

**Justification and Approval
For
Other Than Full and Open Competition**

1. **Contracting Activity:** Department of Veterans Affairs, VISN 22, Network Contracting Office VA Long Beach Healthcare System (VALBHS), 4811 Airport Plaza Road, Long Beach, California, 90815.
2. **Nature and/or Description of the Action Being Processed:** The Department of Veterans Affairs Long Beach Healthcare System has a requirement for the continuance of the Laguna Hills Community Based Outpatient Clinic. This procurement action covers services provided by Valor Healthcare Inc. The action will be awarded as a new, firm fixed price purchase order to cover services from July 21, 2015 through September 30, 2015. The estimated value for the period of performance is estimated at \$453,333.28. The short term requirement will be utilized to acquire services for veteran patients until the long term is in place.
3. **Description of Supplies/Services Required to Meet the Agency's Needs:** Valor Healthcare Inc. is the incumbent contractor that has provided the CBOC services which consist of: Primary Care, Mental Health, Laboratory, and Pharmacy services for approximately 5,000 Veteran patients that are assigned to the Laguna Hills CBOC. The CBOC shall have the necessary professional medical staff, diagnostic testing and treatment capability, and referral arrangements needed to ensure continuity of Healthcare. Primary Care services include longitudinal outpatient medical care for the purposes of prevention and detection of disease and subsequent management of medical conditions for Veterans deemed eligible. The proposed CBOC shall comply with all relevant VA policies and procedures, including those related to quality, patient safety and performance. The CBOC shall be poised to respond quickly to VA policy and procedure changes. If contract modification is requested or required by the government or the Contractor, both parties shall work closely with the Contracting Officer in an expedient manner to minimize impact on patient care.
4. **Statutory Authority Permitting Other than Full and Open Competition:** This requirement is accordance with FAR Part 6302-1 Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements. The cited authority is 10 U.S.C. 2304(c), (2) or 41 U.S.C. 253(c), (2).
 - (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):** The current contract expires on 07/21/2015. The sole source award will prevent a disruption in services while a new competitive contract is solicited, negotiated and awarded. Community Based Outpatient Center (CBOC) contract services are congressionally approved within a 50 mile radius distance within Long Beach, Ca.

CBOCs are strategically located within approved congressional districts to provide Veteran patients necessary access to Primary Care, Mental Health, Laboratory, and Pharmacy services. These Veterans are not in the immediate area of the Long Beach Medical Center. There are currently 5,000 Veteran patients that are presently receiving care at the Long Beach CBOC. The Veteran patients suffer from symptoms of Depression, and the clinic provides services to address Post Traumatic Stress Disorder (PTSD), and Suicide Risk. In addition, mental health counseling for Veterans returning from Operation Iraqi Freedom and Alcohol Abuse are also provided. It is not in the best interest of Government to have these services disrupted or discontinued due to the negative impact it will have on Veteran healthcare. Patients are at high risk and have symptoms of PTSD, suicidal tendencies, which makes it of the utmost importance to have continuity for the Veteran's welfare, safety and healthcare. In addition Veteran patients will not have access to necessary pharmacy needs for needs for medicine and all mental health prescriptions.

Providing these services at the VA Long Beach Medical Center is not an option because the CBOC also receives the VA Long Beach overflow due to the increased Veteran patient population. Additionally, providing these services at the Long Beach Medical Center still presents a disruption in service because each Veteran is assigned to a particular team and primary physician. Transportation is also a barrier for some Veteran patients. Having a CBOC in Laguna Hills provides a convenient means for the Veteran to receive healthcare.

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

The Notice of Intent to Sole Source will be published in accordance with FAR 5.203 (Publicizing and Response Time) which states the following: the notice shall be published at least 15 days before issuance of a solicitation, or a proposed contract action the Government intends to solicit and negotiate with only one source under the authority of 6.302, except that, for acquisitions of commercial items, the contracting officer may:

- (1) Establish a shorter period for issuance of the solicitation; or
- (2) Use the combined synopsis and solicitation procedure (see 12.603).

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

VA Long Beach will be billed at a rate on a Per Patient Per Month (PPPM) approach. Upon each patient visit the Government is charged a rate of \$43.38 per patient. The Government is invoiced on a monthly basis for the year that the Veteran is enrolled at the CBOC. The \$43.38 is the cost negotiated from the previous contract. Currently there are several competitively negotiated CBOC's such as the San Diego, Escondido, Pasadena, Long Beach, and Lancaster. In addition, the cost for MH services Per Patient Per Month was \$54.84 from the previous contract. The cost of the Laguna Hills CBOC is compared to the other CBOC locations such as East Los Angeles, and Oxnard as listed in the chart below:

Comparison for Laguna Hills, East Los Angeles, and Oxnard CBOC rate for FY 15:

Laguna Hills	FY15	East Los Angeles	FY 15	Oxnard	FY 15
Max Cap Rate	\$43.38	Max Cap Rate	\$50.11	Max Cap Rate	\$60.55
PACT/Telehealth	\$11.46	PACT/Telehealth	\$16.93	PACT/Telehealth	\$16.93
Total (\$/enrollee)	\$54.84	Total (\$/enrollee)	\$67.04	Total (\$/enrollee)	\$77.48

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

Market research information was obtained using historical data and internet research. There are currently no additional contractors that can provide the CBOC services within the congressional district boundaries as specified in the congressional business plan. A search of the SAM.gov database (NAICS 621498) was conducted to determine if any small businesses could fulfill the requirement. The market research results showed that several small businesses do not provide the full time staff and the adequate medical facilities required to fulfill this requirement. A search of the SAM.gov database (NAICS 621498) was conducted to determine if any small businesses could fulfill the requirement. The market research results showed that there are no small businesses that cannot provide the full time staff and the adequate medical facilities required to fulfill this requirement.

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

There are no additional facts that support other than full and open competition for the short term acquisition.

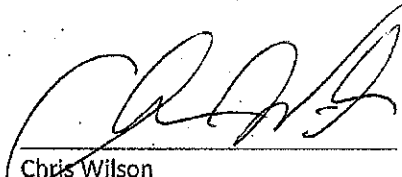
10. Listing of Sources that Expressed, in Writing, an Interest in the Acquisition:

Valor/ Concentra Healthcare is the only vendor that has expressed interest in this requirement.

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:

A sources sought notification was posted on the federal business opportunities website on February 25, 2015 to inquire into the commercial marketplace to seek competition for the long term requirement, and the Government received one response from Valor/ Concentra Healthcare (formerly Valor Healthcare). (Valor Healthcare) is the incumbent contractor for the Laguna Hills outpatient clinic. A search of Small Business Administration dynamic small business website returned no results for small business vendors that provided the required service which is categorized as (Outpatient care centers). With no required or established sources, nor any SDVOSB, VOSB, or small businesses found, it is determined that this requirement for CBOC requirements can only be met by large businesses. A search of Small Business Administration dynamic small business website returned no results for small business vendors that operated under NAICS code 621498 (Outpatient care centers) A solicitation will be publicized on the Federal Business Opportunities website for the long term acquisition.

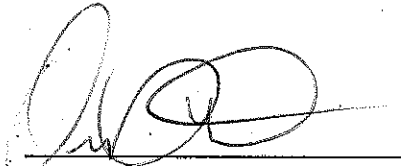
12. Requirements Certification: I certify that the requirement outlined in this justification is a Bona fide Need of the Department of Veterans Affairs and that the supporting data derived from the market research, which is included along with the justification, are accurate and complete to the best of my knowledge and belief.


Chris Wilson
Contracting Officer Representative
Long Beach Veteran Healthcare System

6/29/15
Date

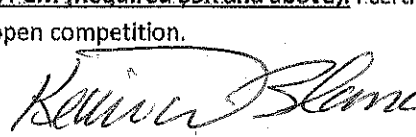
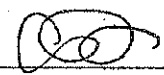
13. Approvals in accordance with FAR 6.304

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


Omar Majette
Contracting Officer
VISN 22/ Network Contracting Office 22

6/29/15
Date

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



Kevin Blanchard
Network Contract Manager
VISN 22/ Network Contracting Office 22

6/29/15
Date